



## OVERSEAS NEWS

## JAPAN'S CAR SHIPMENTS CURB BRINGS REACTION FROM U.S. AND EUROPE

## Administration welcomes offer from Tokyo

BY DAVID BUCHAN IN WASHINGTON AND IAN HARGREAVES IN NEW YORK

JAPAN'S voluntary curb on its car shipments to the U.S. has effectively halted protectionist moves on Capitol Hill. Mr. Bill Brock, the U.S. trade representative said in Tokyo yesterday—and most U.S. legislators agreed.

The White House said it would have no detailed reaction until Mr. Brock returned to brief the President, but the trade representative made clear in Tokyo the Administration's welcome for a conclusion to this protracted trade dispute.

Reaction in the U.S. motor industry ranged from a formal expression of delight from General Motors, which has consistently resisted the idea of import quotas on the Japanese, to scepticism among car workers that the deal was anything more than the latest smoke-screen behind which the Japanese will continue to advance.

Mr. Roger Smith, chairman of GM, said: "The news sounds good." He welcomed indications that Congress would hold back from restrictive legislation.

Mr. Douglas Fraser, president of the United Auto-workers Union, which blames the Japanese for many of the 200,000 layoffs its membership is suffering, and Ford, which has been the hawk among the motor companies,

declined to comment.

But one UAW official said the reduction of about 100,000 Japanese car sales a year would make little difference to employment. He doubted that the sales rate would necessarily decline as Japanese companies are reported to have built up large stocks of vehicles ahead of the agreement.

The UAW had wanted shipments reduced to 1.2m cars a year for three years, compared with the 1.68m agreed for the first year only. Ford's

most ambitious goal was to cut shipments to 1m units. A few Congressmen, notably William Brodhead whose constituency is Detroit, said yesterday that they would fight on to impose, by mandatory quota, a lower level of shipments.

Most significantly, Senator John Danforth, chairman of the Upper House's trade subcommittee, let it be known that he was impressed with the Japanese offer and would put into limbo his own legislation for quotas. But he said

would not hesitate to reintroduce it if the Japanese companies fail to meet their commitments or if market conditions for U.S. car sales worsen.

His staff immediately christened this the "Sword of Danforth approach," which is expected to be not unwelcome in the White House.

The Reagan Administration has very effectively used the threat of Congressionally imposed quotas as a lever on Japan for a voluntary cut-back—now the same lever can

be used to ensure that Japan sticks to its cutback.

It is felt in some quarters that the potential rationing of Japanese cars, although slight, should help to drive prices a little higher, at least in a few markets and enable Detroit to do more to bring costs and income more into line.

On the other hand, there are fears that the Japanese cars, which are already considered by many Americans to be of better quality and performance for their cost than American models, will acquire an even more sought-after image which could more than undo the benefit of a slightly smaller number.

The effect will also be slightly different for each company. Ford stands to gain least this year because it cannot produce any more small cars—in which the Japanese specialise—than it is already selling. GM, in contrast, is about to launch a new subcompact model later this month and Chrysler has the capacity to increase its small car production.

For Chrysler, however, there is the additional question over the impact upon the deal of the company's Mitsubishi imports which have accounted for more than 13 per cent of Chrysler's sales so far this year.

## Europe moves towards barriers

BY JOHN WYLES IN BRUSSELS

JAPAN'S agreement to restrain motor vehicle exports to the U.S. looks certain to move the EEC closer to raising protectionist barriers unless Tokyo offers a similar undertaking to the Community.

That was the view in Brussels yesterday of senior European Commission officials who see the U.S.-Japan accord as both a great threat and a great opportunity.

The threat comes from a possible diversion of sales to Europe and the opportunity lies in pushing through the door opened by the U.S. to peg not only cars but also imports of

other Japanese products.

If Japan refuses Europe what it has granted the U.S., officials believe the EEC will almost certainly raise new barriers against Japanese car imports, possibly through Article 19 of the General Agreement on Tariffs and Trade.

Much would depend on West Germany, whose liberal trading policies are under pressure from domestic motor unions and manufacturers. After capturing 10.4 per cent of the German market in 1980, Japanese cars have been taking around 11 per cent this year and companies like Volkswagen have laid off workers and seen their profits

slump.

If Japan refuses voluntary restraint and Bonn remains opposed to EEC-wide protectionist moves, several member states will go their own way.

Belgium, whose car market is now 27 per cent Japanese, recently threatened to do so and France and Italy have already imposed small quotas.

The EEC's trade deficit with Japan was \$11bn last year (\$5.2bn) 80 per cent higher than the year before. So far this year, car imports from Japan are about 17 per cent higher in value than in last year's first quarter.

## Kuwait oil sold at premium

By Patrick Cockburn

DAIKYO Oil Company of Japan has agreed to buy 30,000 barrels a day (b/d) of crude oil from Kuwait at a premium of \$2.75 a barrel, oil industry officials said yesterday.

Daikyo's decision to pay a premium has caused surprise in the oil industry, since most other purchasers of Kuwaiti crude have refused to accept any surcharge.

Idemitsu of Japan, which lifted 110,000 b/d from Kuwait before April 1, has rejected the premium and the Ministry of International Trade and Industry (MITI) in Tokyo has been opposed to any surcharges above the official Kuwaiti price of \$35.50 a barrel.

After prolonged and at times angry negotiations between Kuwait and the Western oil companies, BP and Shell rejected a continuation of the premium and will each be lifting only 50,000 b/d at the official price in future.

Daikyo's decision to pay a surcharge is unlikely to be followed by other Japanese or Western companies, according to other firms purchasing crude in Kuwait.

## Fiat to lay off 68,000 car plant workers

BY RUPERT CORNWELL IN ROME

AS FIAT, Italy's biggest motor manufacturer, announced plans yesterday for further massive layoffs this summer, Sig. Giovanni Agnelli, the company's president, warned that an end to the crisis in the European car industry is still some way off.

The Turin-based concern is to make idle 68,000 workers in its car division for two separate weeks during June and July. All plants will be affected, except those involved with the highly-successful Panda utility model, and the A-112 produced by

Fiat's Autobianchi subsidiary. Fiat blames the move on its need to reduce stocks as a result of the continuing slump on international markets and downturn in the until-now strong Italian home market, where Fiat has a 51 per cent share of sales.

The layoffs are in addition to the 23,000 workers made redundant until the end of this year under the agreement which ended the month-long strike at Fiat last autumn.

In a speech to former Fiat workers, Sig. Agnelli warned that sales in Europe are running 10 per cent below the depressed levels of the first three months of last year. Even in Italy, demand dropped in March after surprising buoyancy in January and February. Fiat expects no real improvement until the end of this year at the earliest.

Its prospects at home have not been helped by the latest petrol price increase announced by the Rome Government. Super grade fuel goes up to L800 a litre (equivalent to £1.73 a gallon) from L370, reflecting

the recent sharp increase in the value of the dollar, which on Thursday topped £1.100 for the first time ever.

The petrol price decision has been strongly criticised not only by industry but also by the trade unions. They say it is damaging to the employment outlook in the motor industry and coupled with the layoffs announcement from Fiat, it helped cast a gloomy cloud over May Day union rallies held throughout the country yesterday.

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## Nato to press Haig on arms talks

By Bridget Bloom

THE U.S. will be pressed for an unequivocal commitment to an early resumption of arms control talks with the Soviet Union at a key meeting of NATO Foreign Ministers opening in Rome on Monday.

Mr. Alexander Haig, who will be attending his first NATO Foreign Ministers' meeting since becoming U.S. Secretary of State, will in particular be urged by the European members of the 15-nation alliance to draw up a timetable for U.S.-Soviet talks to limit so-called "theatre" nuclear weapons in Europe.

The issue of theatre, or intermediate range, nuclear weapons has been a source of irritation over the past few months between the Reagan Administration and a number of its European allies. West Germany, Holland, Belgium and to a lesser extent Britain all face growing domestic opposition to the nuclear modernisation programme, agreed by NATO in 1979, which would base nearly 600 new Cruise and Pershing II ballistic missiles in Europe from 1983.

This programme is seen in principle by all NATO members as going hand-in-hand with U.S.-Soviet negotiations on the limitations of nuclear forces. However, despite a series of NATO official and Ministerial meetings over the past few weeks the U.S. has so far refused to how to European pressure to name a date for the resumption of talks either on theatre forces or strategic weapons.

While the arms control issue is expected to dominate the two-day meeting, Ministers are also likely to reiterate NATO's firm stance on Poland, and review Sino-Soviet relations in general and the state of the alliance itself.

Jonathan Carr in Bonn adds: A warning that "serious difficulties" could emerge in U.S.-European relations if the super powers do not quickly get down to disarmament talks, was given by the leader of the ruling West German Social Democrat Party (SPD), Herr Willy Brandt, at a May Day rally yesterday.

His appeal to Russia and the U.S. is the clearest public indication yet of the urgency with which the SPD is treating the issue of theatre nuclear forces and of the possible friction over it between Bonn and Washington.

## Nissan backs down on VW production

By Our World Trade Staff

NISSAN MOTOR, one of the major Japanese car manufacturers, yesterday backed down from its earlier declaration that agreement had been reached with Volkswagen of West Germany to start joint production in Japan of VW cars in spring, 1982.

The agreement, announced on Thursday, has now been declared "preliminary" and Nissan is simply hoping that production will start early in 1983.

Nissan's partial retraction follows a denial from Volkswagen that an agreement had been reached. Negotiations had reached an interesting stage when the joint venture was decided on the joint venture is unlikely before the middle of the year.

## Lebanon crisis provokes intense diplomatic effort

BY ANTHONY McDERMOTT IN BEIRUT

INTENSE diplomatic efforts continued at several levels yesterday to find a formula that will allow a solution to the Lebanon crisis which has brought Syria and Israel to the brink of war.

Syria has been in close, constant contact with the Soviet Union and the local newspaper, al-Safir, yesterday reported that an unnamed deputy Soviet Foreign Minister would be visiting Damascus within the next two days to discuss the crisis.

Plans to re-open Beirut's international airport had to be shelved yesterday after at least 10 shells exploded near the runway and in the car park. Israeli jets also flew over the capital and southern Lebanon but generally there was a marked decrease in military activity.

This breathing space offers an opportunity for Mr. Abdel-Halim Khaddam, the Syrian Foreign Minister, to complete his proposals for an end to the fighting in eastern Lebanon between Syrian troops of the Arab Deterrent Force and the Christian militias.

Mr. Khaddam is expected to return to Beirut for talks on Sunday or Monday and only if an agreement is reached can Syria be expected to withdraw its Sam-6 missiles from the Bekaa valley in Eastern Lebanon.

There has been no official confirmation of the details of the proposals either here or in Damascus, but they appear to fall into three parts:

● An Israeli promise not to attempt to dislodge the Syrian troops from the valley or near Zahle.

● A Syrian undertaking to discontinue the offensive against the Christian militia in the Solah hills, near Zahle.

● A quiet undertaking by the Syrians to remove the missiles from the valley.

It is understood that the Syrians have recently increased the number of these missiles, which could now total about 150, consisting of both Sam 6s and Sams 2s, deployed around the Rayak air base, six miles to the east of Zahle.

Between Damascus and Beirut yesterday there were no signs of abnormal Syrian military activity. In towns such as Shtaura, there were sandbagged positions. On the hillsides, there were isolated military positions, and anti-aircraft artillery were well dug in.

## Turkish foreign debt rises to \$17.8bn

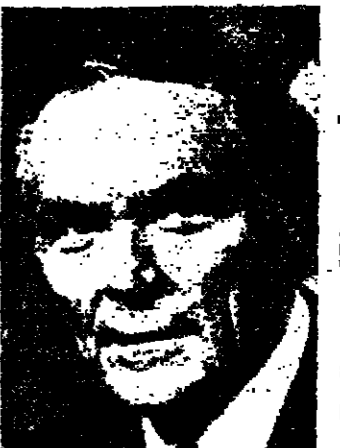
ANKARA — Turkey's foreign debt totalled \$17.8bn (\$8.2bn) at the end of 1980, the Ankara news agency reported yesterday. This was a \$2.55bn increase over the previous year.

Debt to the World Bank and the International Monetary Fund were \$2.22bn, it said. The IMF last week released \$121m to Turkey, the fourth instalment of a \$1.6bn three-year stand-by credit agreed a year ago.

The agency said long-term debts—with terms of more than three years—totalled \$15.37bn and short-term debts \$2.44bn. The proportion shifted considerably to long-term debts after



Mr. Khaddam... deal to end fighting



Mr. Haig... in touch with both sides

Road blocks were manned by members of the 22,000 Syrian Arab Deterrent Force, but it would be hard to equate the attractive scenery of the Bekaa valley neatly divided into fields, with a key international crisis. The Christian town of Zahle itself was quiet with traffic running normally.

Paul Taylor adds from Washington: Mr. Alexander Haig, the U.S. Secretary of State, yesterday said the Lebanon fighting was extremely tense and serious because "certain balances have been exceeded" between factions inside the country and their Israeli and Syrian backers.

The Secretary of State told a Senate Committee that the Administration had been "actively engaged over the last 72 hours in diplomatic initiatives with all parties

## Meeting on Namibia follows UN vetoes

BY DAVID TONGE

FOREIGN MINISTERS of five Western countries will next week discuss in Rome how to revive attempts to bring independence to Namibia. The so-called Western Contact Group of Britain, Canada, France, the U.S. and West Germany will meet during the NATO Ministerial meeting on Monday and Tuesday. Their aim is to find a plan giving "greater confidence to all parties on the future of an independent Namibia."

But, to head off a United Nations General Assembly vote for sanctions on South Africa, they also have to satisfy the UN that sufficient progress is

being made. The sanctions would not be mandatory, but would be of considerable moral importance.

On Thursday night, Britain, France and the U.S. vetoed UN Security Council resolutions put forward by African countries for comprehensive mandatory sanctions against South Africa; the UN already applies a mandatory arms embargo on South Africa.

Yesterday, the U.S. Government made clear its anger at having had to use its veto. A State Department spokesman questioned whether the African countries proposing sanctions really wanted a settlement in

Namibia.

Our United Nations Correspondent adds: Following Thursday night's Western vetoes, Mr. Olara Otunnu of Uganda, Chairman of the African Group said the group would ask for an emergency session of the General Assembly, but did not propose a date. He called the vetoes a "monumental rebuff" not only to Africa, but to a global consensus in favour of enforcement measures against South Africa.

Quentin Peel writes from

Johannesburg: Mr. Pik Botha, the South African Foreign Minister, warned yesterday that a solution in Namibia would become increasingly difficult if a majority of the UN Security Council persisted with a "vendetta against South Africa."

Mr. Botha said the sanctions resolutions were pressed to the vote "despite the fact that reasonable and fair resolutions were made in the Security Council, and South Africa also put her position in a reasonable manner."

## Canadian prime at record

BY VICTOR MACKIE IN OTTAWA

THE BANK OF CANADA has boosted its prime rate to 17.6 per cent, a record, in response to rising rates in the U.S.

The announcement by Canada's Central Bank means that Canada's largest corporations will start paying a record 18.5 per cent rate on bank borrowings.

Seven chartered banks in

Canada, acting on the sixth consecutive weekly increase in the Bank of Canada's rate, said that their prime lending rate would be 18.5 per cent, up from the previous record of 18.25 per cent.

Mr. R. A. Utting, vice-chairman of the Royal Bank of Canada, said he sees "no signs of abatement."

## A PITCHER OF INNOCENCE

## The greatest baseball player in the world

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

AMERICAN NATIONAL heroes come in many shapes and sizes. But there appears no precedent for the one who emerged from the tiny Mexican village of Echoaquilla in the form of a chubby and hairy 20-year-old who speaks no English but whose wondrous left arm renders words superfluous.

His name is Fernando Valenzuela. He is a pitcher for the Los Angeles Dodgers baseball team and his debut in the great national game has been nothing less than staggering.

Already the legions of American sporting journalists, prone to hyperbole at the best of times, are comparing Mr. Valenzuela's arrival to the second coming of the incomparable Babe Ruth, who bestrode baseball like a colossus between the wars, or likening his massacre of batters to Sherman's devastating march through the south after the civil war.

More sophisticated international observers of the sporting scene, like this writer, are recalling the dense fog that surrounded the heads of English batsmen 30 years ago when first confronted in the West Indies by the guile of Sonny Ramadhin.

The brief record to date certainly suggests that Mr. Valenzuela is toying with every

pitcher's nirvana—that of being unhittable. So far this year, he has pitched five times, won every game, four of them without conceding a run, the other with only one against. In a handful of appearances at the tail end of last season he was also untouchable.

His professional major league record as a pitcher so far stands at 63½ innings pitched, with only one run scored against him, seven wins and no losses. Translated into cricketing parlance, that is equivalent to figures along the lines of 20 overs, 18 maidens, 10 wickets for two runs, repeated seven times.

The comparison with Sonny Ramadhin is particularly apt because the secret of Mr. Valenzuela's success is his mastery of one of baseball's most difficult pitches—the screwball. Baseball comes with all sorts of exotic pitches, like the knuckleball, delivered as described, which floats gently towards the batter before dipping sharply at the last minute, not to mention staples like fast ball, curve, slider, fork ball, palm ball and the good old-fashioned (and illegal) spit ball.

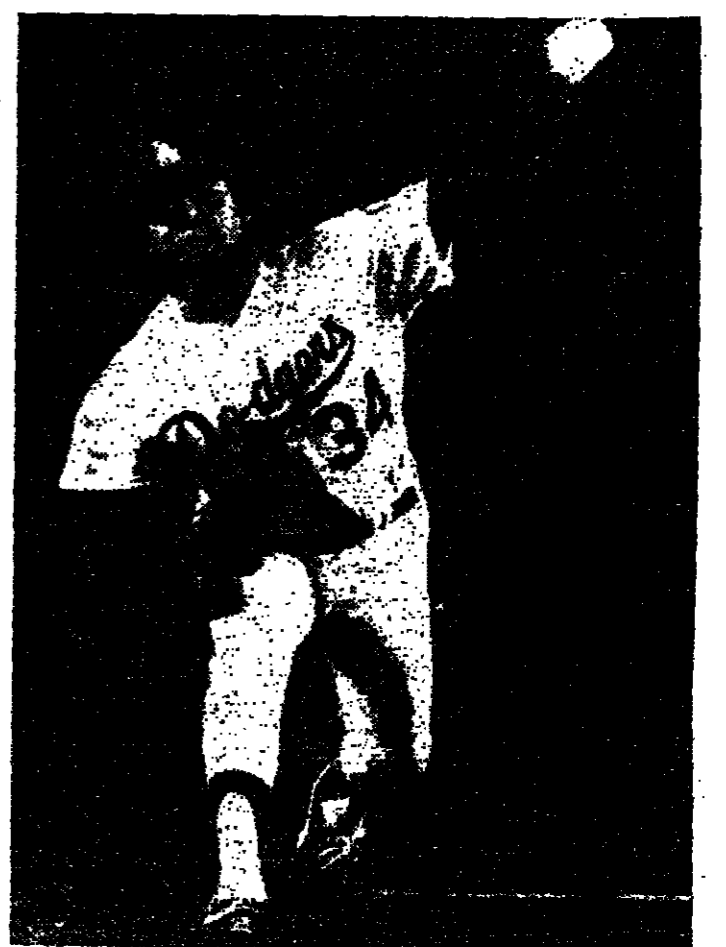
As thrown by a left-hander like Mr. Valenzuela, the screwball swings sharply away from a right-handed batter at the last minute, a late outswinger as it were. Fast pitching artists, such as Juan Marichal, the great "Dominican Dandy" who played for San Francisco, occasionally used the screwball, but even the esteemed Marichal, whom Mr. Valenzuela in some respects

resembles physically, was unable to achieve the extraordinary ball movement of the young Mexican.

If all this were not enough, Mr. Valenzuela is apparently something of a hitter. Pitchers in baseball are not expected to hit well—indeed, in one major league, the American, pitchers are not even required to bat. But, as of midweek, Mr. Valenzuela's batting average was the best in his league, the National.

Some perspective is needed. Other young pitchers have streaked like meteors across the constellation of baseball, only to burn out with tired arms or to be rummied by crafty experienced batters. But Mr. Valenzuela, according to the aficionados, is a most economical and skilled pitcher with a variety of weapons in his armoury. He could go on for ever.

His major problem will undoubtedly be adjusting to superstar status. Already a demigod to the large Mexican population of California, his humble origins, the fact that he is a monoglot, and his apparent simplicity may not be the best training for the inevitable off-the-field ordeal. But, in the meantime, spectators can savour a real, unadorned diamond.



The unhittable Fernando Valenzuela in action against the San Francisco Giants: the Dodgers won 5-4

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## UK NEWS

## Economy 'approaches hesitant recovery'

By Peter Riddell, Economics Correspondent

THE BRITISH economy is at a turning point although the recovery could be somewhat hesitant in the coming months, the London Business School argues in its latest economic outlook.

It examines the evidence from business opinion surveys, official cyclical indicators, output, the labour market, and wholesale prices to conclude that the low point of the present cycle may have been reached.

However, the economists conclude that, while last year's rapid decline in UK output is coming to an end, a broadly-based recovery of the economy is unlikely until the world economy starts to grow again. Business surveys suggest that the upturn in the European economy is less well established than the UK recovery and it may be delayed further by high interest rates. This applies especially to West Germany which has an influence on the world economy as important as that of the US.

"The implications for the UK economy are either that the recovery remains sluggish, with a further decline in exports offsetting the domestic recovery, or alternatively that the recovery of UK domestic demand is sufficiently vigorous to enable UK output to grow at a time when world output remains depressed," it says.

"In that event a sharp deterioration in the current account of the balance of payments is likely which could dent the confidence that foreign investors have so far shown in the UK."

"The period of high world interest rates is not likely to last very long, and we continue to expect a world recovery in the second half of this year. But the fact that the UK is now apparently emerging from the recession slightly ahead of most main industrial countries could pose some problems in the middle of the year."

The London Business School adopts a broadly monetarist analysis. It cautiously optimistic view would be disputed by more Keynesian commentators who believe that output is likely to remain sluggish and could even fall further.

A notably optimistic view has come from stockbrokers de Zoete and Bevan who argue that the recovery should be strong rather than modest. The firm's reading of the monetary and leading indicators leads to projections of a rise in real Gross Domestic Product of at least 5 per cent in 1982.

This rapid recovery is attributed both to a substantial improvement in productivity which should be assisted by the capital investment undertaken over the last five years and to a modest increase in employment.

**Marked drop in January retail sales**

SALES TURNOVER in large retailers in January totalled £285m, according to figures published yesterday in the British Business Journal, a magazine issued by the Department of Trade and Industry.

The January total excludes co-operative societies whose turnover was £290m.

The figures show a marked drop on the same months in 1979, when retailers' turnover totalled £355m and co-operatives' turnover was £330m.

Large retailers earned a third of their sales from food and drink in January this year, compared with 35 per cent in the same month last year. Clothing and footwear was the next biggest sales area, accounting for 23 per cent of trade last January and 24 per cent the year before. Household goods took 20 per cent of sales last January and 17 per cent in January 1979.

In the co-operative stores, some 81 per cent of turnover came from food and drink, compared with 80 per cent in January last year.

## Tension rises as Sands weakens

ULSTER Loyalists are believed to be planning a province-wide demonstration of strength, and possibly a strike, should order break down following the expected death of Provisional IRA hunger striker Bobby Sands.

The Provisionals, meanwhile, appear to be against a violence spectacular. Instead, they hope the funeral will provide a massive outpouring of sentiment to pull in much-needed publicity and a revival of Catholic support.

Leaders of the Ulster Defence Association and other units of the so-called Ulster Army Council have been meeting throughout the week, as have leaders of the trade union-based Ulster Workers' Council, to discuss what steps they should take.

The Rev. Ian Paisley, MP for North Antrim and the leading Loyalist politician, is also considering what should be done, and it is increasingly clear that, apart from preparing their defences, Protestant workers are determined that not all the publicity surrounding the hunger strike should go to the Provisionals' way.

Mr. Paisley warned the Government yesterday not to be surprised if "ordinary people take steps to defend themselves," and referred to the

ability of Loyalists to bring Ulster to a standstill.

Provision IRA strategy, meanwhile, is becoming clearer. There will be no organised "spectacular" of violence. Instead, the funeral will be made the occasion for a massive

WALTER ELLIS in Belfast reports on the rising tension in Northern Ireland as both sides wait for the expected death of Provisional IRA hunger striker Bobby Sands. There is no evidence that any dramatic demonstration is planned, but the security forces are taking no chances.

outpouring of Nationalist sentiment, bringing much-needed publicity and a full-blooded revival of Catholic support.

Spontaneous rioting would presumably take place in strongly Republican areas — especially in Belfast and Londonderry — but this may prove limited in scope.

The Provisional paper, Republican News, yesterday urged that militant displays of righteous anger at British inhumanity should be directed solely at the British forces of occupation, and popular wrath should not be diverted into useless acts of adventurism.

This clearly means that the IRA is opposed to any massive outbreak of rioting of the sort

which could bring with it the possibility of confrontation with Loyalists.

Mr. Humphrey Atkins, the Northern Ireland Secretary of State, this week accused the Provisionals of seeking to foment sectarian warfare, and status for Republican prisoners, which the Government has refused.

Mr. Don Concannon, the Labour Party spokesman on Northern Ireland, yesterday visited Mr. Sands in the Maze Prison and told him that there could be no compromise by the authorities on the issue of political status.

He said he told Mr. Sands that the Parliamentary Labour Party fully supported the Government on this issue, in spite of some pleas for compromise by individual Left-wing MPs.

It was Mr. Concannon, as Northern Ireland Minister with Responsibility for Prisons in the last Labour Government who ended political status in Ulster jails. His intervention yesterday was described by Mr. John Hume, leader of the Social Democratic and Labour Party, as "a cheap and offensive publicity stunt."

Further indication of the tension which is growing in Northern Ireland came yesterday with a series of bomb hoaxes in Belfast, which brought traffic to a standstill in the city centre for much of the afternoon. A hoax letter bomb, accompanied by a threat, was sent to Mr. William Ross, Unionist MP for Londonderry.

## British Steel invests £3.5m in rail plant

BY RHYTH DAVID

THE British Steel Corporation has sanctioned a £3.5m scheme at its Cumbria subsidiary to improve rail-making facilities.

The investment will allow the Moss Bay plant at Workington to produce rails of up to 120 ft instead of the present 80 ft.

BSC has been losing foreign orders because it cannot produce long rails specified by rail-

way authorities, particularly in Europe.

The corporation said yesterday that the trend to long rails was likely to continue because shippers and ports are increasingly able to handle them.

The move has been prompted by British Rail's second generation of specialised welding

depots around the country which can handle 120ft rails.

BSC also said yesterday that the investment was needed because

tighter specifications were due in Britain and other parts of Europe after 1982-1983.

Earlier rationalisation at Workington has increased rail output to 5,000 tonnes a week over recent months on 10 shifts compared with 4,000 tonnes from 17 shifts previously.

About half the output is exported, a proportion BSC hopes to increase. BSC has slipped to being a second divi-

sion rail producer over recent years, well behind the Soviet Union with an annual output of 3m tonnes; the U.S. with 1.1m tonnes, and France, Germany and Japan, each with 400,000 to 500,000 tonnes.

BSC's export hopes are also based on development of hard wearing steel alloy rails for tracks carrying heavy loads or fast trains — an area where it claims to be among the world leaders.

## Gilgate companies wound up

By Raymond Hughes, Law Courts Correspondent

THREE COMPANIES in the Gilgate group were compulsorily wound-up in the High Court yesterday.

The orders, against Orborne, Gilgate Securities and South Bucks Properties, were made on petitions in which the Secretary of State for Trade claimed that winding-up was in the public interest.

The orders will enable liquidators of the companies to challenge allegedly fraudulent inter-company transactions by which group companies were given preference over outside unsecured creditors.

In the case of Gilgate Securities, the order necessitated a stay being put on a compulsory order made against the company in 1979 on a petition by the Inland Revenue.

That petition, unlike the Trade Secretary's, had been presented too late to enable the fraudulent preferences to be challenged within the legal time limit.

Mr. Justice Vinelott expressed no view on whether the challenge was well founded, but said that it raised a substantial case.

## Court reserves judgment on premium repayment

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE COURT of Appeal yesterday reserved judgment — probably until next Wednesday — on the challenge by Lloyd's brokers Christopher Moran and Company to an order that it repay £120,000 and £33,000 in premiums to five Lloyd's syndicates.

Syndicates 635, 648, 451, 158 and 931 had opposed Moran's appeal. They contended that they were entitled to be repaid the money, whether or not Moran had effected reinsurance in mid-1977. But for the next two and a-half years he had done none of the documentation for the contract or paid any premiums to Mr. Walker.

If, as Mr. Walker now asserted, he had genuinely believed he had been at risk, it was extraordinary that he had not wanted the premiums paid to him.

Mr. Pollack said that in the summer of 1979 a smell had begun to percolate around Lloyd's with regard to Mr. Moran and Mr. Walker. That had caused the five syndicates to decide to get their money back and they had put into operation the Lloyd's accounting system to that end.

Moran said that, in so doing, the syndicates had acted fraudulently. Mr. Pollack denied that.

Mr. Walker had said that he had agreed to cancellation of the contract under duress. That said Mr. Pollack was a plea of the hollowest kind.

operated meant that everything was channelled through brokers; but that practice was not the same as a legally recognised custom.

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## BA 'has no fear of competition'

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS "does not fear competition" and will fight for increased traffic on world air routes, says Mr. Roy Watts, chief executive.

In a message to staff, commenting on this week's policy statement by the Civil Aviation Authority, which says that future route licensing will be governed much more by competitive criteria than in the past, Mr. Watts says: "It is not altogether what we would have wished."

"We would have liked, for instance, some attempt to work out a formula, based on agreed lines, to decide when the time had come to allow two or more British carriers on one route."

However, he continues: "We do not fear competition, because we expected it, we planned for it and we are increasingly ready to meet it."

"In the past couple of years we have largely re-equipped our fleet with the best aircraft in the world, we have re-designed our product and our fares to offer what we believe the public wants and we have been improving our performance standards."

## Hotel bed occupancies fall 9.2% in London

ENGLISH hotels did less business last year, but London hotels suffered more than most, according to the latest A. C. Nielsen survey carried out for the English Tourist Board.

In 1980 average bed occupancy of English hotels was 41 per cent, 6.8 per cent less than 1979. In London there was a drop of 9.2 per cent to 49 per cent.

The comparatively greater decline in the popularity of London hotels is even more marked over the last two years. Since 1978, the average bedspace occupancy of all English hotels has declined by nearly 13 per cent while in London there has been a drop of 23 per cent.

London hoteliers have been pricing themselves out of the market.

Yesterday, however, Mr. Michael Montague, chairman of the English Tourist Board, said: "Although tourism has obviously been adversely affected by the exchange rate and the economic situation, a more competitive approach should be adopted by hotels."

**Delta Airlines orders more TriStars**

Delta Airlines of the U.S. has ordered two more Lockheed TriStar airliners, powered by Rolls-Royce RB-211 engines, to bring its total TriStar fleet to 44 by mid-1983. About £20m of the £50m contract is likely to accrue to Rolls-Royce for the engines and spares during the service life of the aircraft.

▲ Air Europe, the UK holiday airline which began operations in 1979, plans to expand its fleet of seven Boeing 737 jet airliners to 10 aircraft by the mid-1980s, to meet traffic growth. The airline carries more than 1m passengers a year.

**Ford dealer starts new repair scheme**

A SCHEME which would free car buyers from repair and maintenance costs in exchange for a monthly payment is being launched by Ford main dealers Spruce Howlett of Norwich.

The payments will range from £6 for a 950 cc Fiesta to £30 for a top-range Granada. The scheme is designed as a supplement to Ford's first year and purchasable second and third year warranties.

BIFU has been making informal overtures to a few individual banks, including Midland, to obtain concessions on Christmas bonuses, overtime and holidays as a possible basis for settlement.

"There now appears to be a growing debate among union officials and executive members about whether to continue negotiating nationally with the banks, or to bring all issues down to domestic level."

**£3m satellite link project launched**

THE Science Research Council has launched a three-year, £3m project to demonstrate how satellites can be used with computers to link locations for the benefit of industry. The Department of Industry, British Telecom and various universities will be involved.

**Aid brings £102m Third World orders**

ORDERS worth £102.5m were placed with British industry in March arising directly from grants and loans to developing countries made under the British Government's aid programme and administered by the Crown Agents.

Among the larger customers were companies in India, Kenya, Sri Lanka, Sudan, Zambia, Malawi and Pakistan.

**Textiles 'threatened most by Europe'**

BRITAIN'S textile industry is threatened by Europe rather than the Third World or the U.S., Mr. Jack Straw, Labour MP, said yesterday.

While the British Government had refused to give textiles special aid, France, Belgium and Holland had all announced large scale assistance, he said.

**Associated Dairies sells 10 stores**

ASSOCIATED DAIRIES is selling the 10 provincial stores operated by its UK furnishing offshoot to Harris Queensway for £3.8m.

## LABOUR

## AUEW Left defeated on earnings claim

BY PHILIP BASSETT, LABOUR STAFF

LEFT-WINGERS on the policy-making national committee of the Amalgamated Union of Engineering Workers yesterday failed to tie the union to a specific pay claim which sought to increase the £79 national skilled minimum rate in the engineering industry to £125.

Instead, the union decided to seek an unqualified substantial increase in minimum rates when the next stage of the industry's four-year agreement expires in November.

The claim will be forwarded in June to the annual conference of the Confederation of Shipbuilding and Engineering Unions. The conference is likely to adopt it as the claim to be pursued with the Engineering Employers' Federation in negotiations covering 2m workers in federated companies and those which follow suit.

Minimum rates only are set at national level, with the earnings of most workers in the industry being determined by negotiations at plant level. Present national minimum rates are £79 for skilled workers and £58.80 for the unskilled.

Left-wingers on the committee, which is meeting in Eastbourne, argued that opting for a claim for undefined substantial increases would leave the unions open to settling in line with the Government's wishes on pay.

Mr. Ron Halverson-Hatfield

said: "The Government intend to put pressure on the union to settle next time at around 10 per cent. That means increase of £3.95 for our skill members, and £2.84 for the unskilled. Who can be enthusiastic in support of a claim 5 per cent or 6 per cent?"

However, Mr. Ben Graham (Carlisle), observed that coupled with a shorter working week, the proposed £125 a week claim would be worth about 10 per cent. He said: "That living in cloud cuckoo land."

By 56 votes to 34, the national committee rejected the proposal, approved the substantial claim, defeated a move to set rises not less than the Retail Price Index and supported motion seeking pay rises bring UK engineering workers pay in line with those of other industrial nations.

Mr. Terry Duffy, engineering workers president, was satisfied that the negotiators' hand had not been tied by a specific resolution on pay. However, he suggested that workers from non-EEF companies such as Ford, ICI and Massey Ferguson should be asked to take action necessary in support of EEF engineering workers.

He said: "We should bring them into the attack for a short sharp struggle. When you go into battle, you must make sure you are going to win."

**Clearing banks pay talks fail**

SECRET PAY talks on the English clearing banks' dispute collapsed this week with the employers reaffirming their refusal to alter the wage offer they are already implementing.

The talks involved Mr. Liff Mills, general secretary of the Banking, Insurance and Finance Union; Mr. Jim Robinson, the union's president; and the chairman and director of the Federation of London Clearing Bank Employers.

Apart from seeking improvements to the union indicated willingness to discuss mechanisms for future arbitration if the 10 per cent offer was revised.

The federation again declined to make changes to the package already accepted by the Clearing Bank Union.

BIFU has been making informal overtures to a few individual banks, including Midland, to obtain concessions on Christmas bonuses, overtime and holidays as a possible basis for settlement.

"There now appears to be a growing debate among union officials and executive members about whether to continue negotiating nationally with the banks, or to bring all issues down to domestic level."

**OBITUARY**

## Sir Vincent Tewson

SIR (Harold) Vincent Tewson, general secretary of the TUC for 14 years until he retired in 1960, died at home in Lechliffe, Hertfordshire, yesterday at the age of 85, leaving a widow and two sons.

Mr. Len Murray, TUC general secretary, said: "Sir Vincent gave the whole of his working life to the service of the trade union movement."

"He always used his influence to make the TUC one of the nation's instruments of change and ensure it was responsive to the need for change in its own policies and practices."

"At home he promoted a programme of amalgamation and closer relationships of the unions, and abroad he aided and encouraged the growth of the young trade unions in the countries that were then British colonies."

Mr. Murray, who joined the TUC staff a year after Sir Vincent became general secretary, described him as a man who never sought the exercise of personal power.

said: "The Government intend to put pressure on the union to settle next time at around 10 per cent. That means increase of £3.95 for our skill members, and £2.84 for the unskilled. Who can be enthusiastic in support of a claim 5 per cent or 6 per cent?"

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He said: "We should bring them into the attack for a short sharp struggle. When you go into battle, you must make sure you are going to win."

**Marriage staff plan wage action**

ABOUT 1,800 births, deaths and marriages registration staff are to start industrial action over pay next Tuesday. Their union said yesterday that members would refuse to wear formal dress during weekday marriages and will take Saturday bookings.

The National and Local Government Officers Association warned that couples may face registrars wearing jeans as a result of a work-to-rule support of a re-grading claim for a 10 per cent pay increase.

The re-grading dispute, which began in 1975, was said to separate from the registrar's current annual pay claim worth 13.2 per cent. Management had offered 7 per cent on salaries ranging at present from £3,910 to £5,901 a year.

NALGO has called for a campaign of non-co-operation in dealing with telephone calls and forwarding returns of births, deaths and marriages to local authorities, the general register office and Government departments.

It has also called for minimum co-operation with the Inspector of Registration.

## Why Truman is to take a gamble on Spanish lager

BY GARETH GRIFITHS

BRITISH holidaymakers with a liking for Spanish lager will soon be able to buy it on the south coast as well as the Costa del Sol. An import agreement was signed this week between Grand Metropolitan and San Miguel, Spain's second largest brewer.

The deal signed in Malaga between Truman, Grand Met's brewing subsidiary in south-east England, and San Miguel is the culmination of three years of secret negotiations. Truman may be brewing Spanish lager under licence in a couple of years' time.

Under the agreement, to be reviewed after 18 months, Truman will support San Miguel

lager in 16 ounce cans which will retail at 65p to 69p a can. Both companies are talking about a long-term agreement, saying it will take time to establish a British taste for Spanish beer.

Imports will be lower strength than beers in Spain. San Miguel believes its products are already familiar to British drinkers who have been on holiday in Spain.

Mr. Warren Fenwick-Clenell, Truman's managing director, said the lager would complement those from Carlsberg and Holsten. Truman has been worried for some time that it has not kept up with competitors.

Forecast UK sales are relatively small: about 4,000 bulk barrels or 1,152,000 pints a year after two years. If sales reach 15,000 bulk barrels or 4,320,000 pints a year Truman will seek to brew the lager under licence.

The drinks industry expects Truman to have a number of problems with the launch. The scale of the operation is comparatively small. Carlsberg produces about 1.6m bulk barrels a year in the UK; Holsten sells about 150,000.

Foreign lager marketing in the UK has been geared to drinks with Teutonic sounding names and there is likely to be consumer resistance to beers

from southern Europe. But Truman says tests show drinkers found San Miguel as good, if not better, than other lagers.

Truman plans a large scale campaign for its Spanish lager later this year. Canned lager sales are the most buoyant part of the beer market.

San Miguel sees the Grand Met deal as a foothold in the UK beer market, second largest in the EEC and a means of building up other foreign markets.

San Miguel has been expanding faster than the Spanish industry as a whole. Last year Spanish beer sales increased by 1.6 per cent while San Miguel sales grew by 3.5 per cent.

## Rehearsing the Irish Question on Liverpool Pier Head

John Lloyd looks at the groups among the crowd of 500 which left the Pier Head

THE People's March for Jobs got off yesterday from Liverpool to the kind of ragged, shambolic, quarrelsome, ambiguous, laughable and rhetorical start which attends most successful projects in British public life.

It started late. The Liverpool Pier Head gradually filled up with those anxious to wish the marchers well, and most passed their time in the traditional fashion by selling left-wing newspapers to each other. One groupuscule addressed the crowd on British Imperialism and Bobby Sands: two elderly women took exception to their message and heckled to the effect that Mr. Sands was dying of his own choice, something denied his organisation's victims.

A very fat man intervened to say that they were "anti-working class workers": several

much thinner men took the women's side and the Irish Question was briskly rehearsed. The whole fascinating issue was suppressed by TUC stewards who said the protagonists were doing what the media wanted.

**Danger**

Elsewhere, Mr. Colin Barnett, secretary of the north-western TUC and the march's main organiser, was talking to the correspondent of the Soviet Literary Gazette. Mr. Barnett alluded to the danger of fascism because of rising unemployment.

The Soviet reporter asked whether this was not what a democracy was about, to allow free expression of differing views? Barnett said: "Well, I

know you're from the Soviet Press," paused, possibly on the verge of drawing a distinction between Eastern and Western socialism, but chose a unifying theme instead by invoking the suffering of the British and Soviet nations under fascism.

Mr. Gordon McLennan, general secretary of the Communist Party, said he approved of all shades of opinion being represented, and that it was quite different from the Jarrow March. The Hunger Marchers didn't have the whole of the TUC and the labour movement behind them, as they do today," he said.

Today's 500 marchers are also not hungry, or at least will not be while they are marching. As they marched into the Pier Head to a great cheer, and as

a massive platform of speakers began to speak, a van laden with orange juice, pies and sandwiches began the job of stoking up their energies.

The marchers are said to represent all ages, races, opinions, sexes and jobs. But most are youngish, white left-wing males. A number wore punk hairstyles and clothes. One, Pete Maddison from Dagenham, twirled a large earring and said he was from Dagenham and couldn't even get a job in Fords. "Fords are laying off; if you can't get a job in Dagenham it shows how bad things are."

One of the half dozen blacks, Errol Ward, from Hackney, said he had been unemployed since October and was sick of applying for jobs. He was working as a voluntary youth organiser

and wanted to do it full-time: at 22, he did not seem bitter or defeated but open and cheerful.

**Rhetoric**

## THE WEEK IN THE MARKETS

## Within a whisker of 600

Having spent Monday contemplating the likely outcome of Thursday's first quarter results from ICI, the market went into

## LONDON

## ONLOOKER

full retreat on Tuesday. As the end of the account loomed, profit taking stripped 111 points off the FT Index despite a slightly more cheerful

back hitting a new high at 597.3—a rise of 17.4 points on the day. Yet within a whisker of breaking through the 600 level, prices failed to follow through yesterday and the index slid back gradually throughout the day.

## ICI swings up

The chemical industry is highly cyclical and chemical company profits are more cyclical still, since they are highly sensitive to changing levels of capacity utilisation as the volume of business fluctuates. When ICI was having such a

volume in March, particularly in Continental Europe. This has helped reduce losses in petrochemicals, plastics and organics. But this does not account for the whole recovery. ICI has taken fewer exceptional charges (such as redundancies) above the line than in the last quarter of 1980, and it is beginning to see the benefits of its heavy rationalisation moves. ICI says the upturn is fragile, but the equity market has brushed aside its caution. It is enough that recovery has begun, and profits are heading for the wide blue yonder next year. The shares now stand £1 above

companies were less than promising. For example, Intasun Leisure, the group that went public two weeks ago by way of an offer for sale by tender, refused to forecast anything more than "satisfactory" profits for the current year following the more than trebled estimated profits in 1980-81. "Demand in the UK for overseas holidays could be reduced if the current recession were to continue," the directors conceded in their prospectus.

Early this week Thomson Holidays, the largest UK operator, reported 1980 profits up 25 per cent to £19.8m but warned of a downturn this year. Winter bookings were down 5 to 10 per cent this season. Thomson said, and the market was expected to shrink again next winter.

Later in the week, Davies and Newman, the parent company of Dan Air, which relies heavily on package holiday business, announced 1980 profits of £2.35m, down 30 per cent on the previous year. The chairman said that the recession had badly affected the aviation business in the final quarter and that in the first quarter of the current year, aviation activity was lower than in the first quarter of 1980.

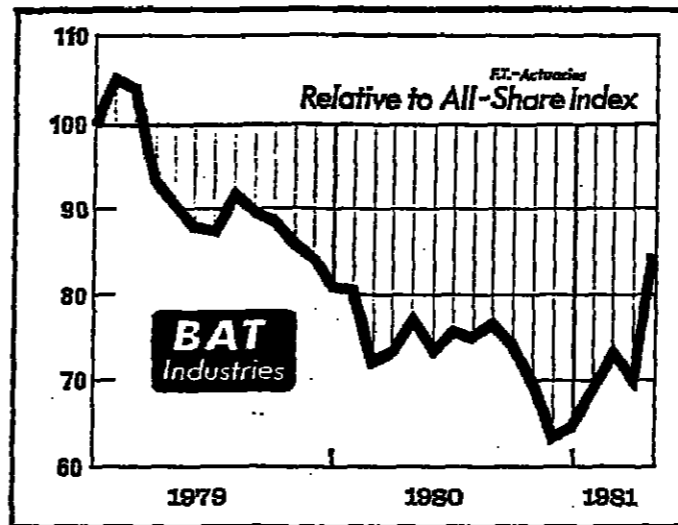
All of which makes Horizon's optimism look rather brave.

But Mr. Bruce Tanner, the chairman, says bookings are currently up 8 per cent on last year and although there are no price increases in next winter's programme, the group's margins are being maintained. He also argues that Horizon specialises in holidays to Spain, would benefit more this year from the rise in sterling than last while the oil price increases is more favourable than last year.

Two discount houses reported this week, each coming back in the black after making a loss in 1979-80. Gerrard and National came out on Monday with record disclosed profits of £5.8m, followed on Wednesday by Jessel, Toysbee which reported net profits of £1.1m—a figure which it narrowly exceeded in 1978.

The true extent of the recovery must in both cases be very much understated in these figures, which are net of tax and transfers to the houses' inner "contingency" reserves. Gerrard's earnings were at least £1.5m more, because that was the amount it felt able to bring out into its published reserve after topping inner reserves up to a record level.

Jessel also did pretty well, and was able to put right most of the inner damage sustained in the course of making its 1979-80 loss. That suggests, at a guess, that Jessel made £2.5m in 1980, a healthy margin of about 1 per cent.



The monetary climate last year was—it must be remembered—very favourable to discount houses. Minimum Lending Rate fell by 5 points, and since 1980-81 began with market rates discounting 18 per cent, the effective fall was more like 6 points. It was easy enough to make mistakes in gilt-edged, but both Gerrard and Jessel seem to have been more certain here than they were in the previous year.

Gerrard is willing to talk of a promising start this time—while running a fairly defensive book—but Jessel is more cautious. The discount market looks a less comfortable place to operate in this year. The new arrangements for offering bills to the Bank of England—under which a house may be left with a lot of bills on its hands if it asks too high a price—are a lot more competitive. It can be expensive to balance the day's books on those occasions when the Bank declines to buy.

## Static BAT

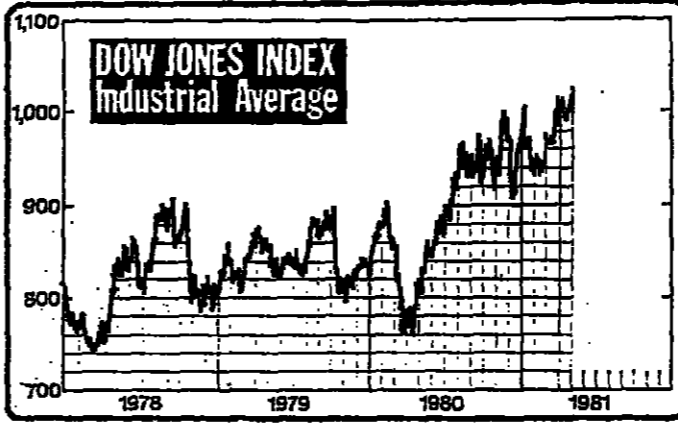
Given the strength of sterling BAT Industries did well to produce static profit figures for last year. The group made a pre-tax profit of £479m and this new was met with approval in the City, where shares in the tobacco giant moved upward quickly on Wednesday. By yesterday evening, BAT shares had scored a 45p rise on the week to 383p.

BAT's depressed trading per-

formance in the UK (a £2m trading profit against £11m) and Europe (£79m against £93m) was offset by better results from North America and Asia. Although U.S. market share declined last year, exports were up. The new Barclay brand cigarette has also managed to pick up 1 per cent of the national market in the first quarter.

On a world-wide scale, the trading profit moved up slightly. In New York Saks Fifth Avenue had a record year and Gimbel's managed to improve its profits as well. But back in the UK, International Stores made a small loss on £700m of sales. The paper and packaging scene was also none too exciting. Wiggins Teape suffered a 46 per cent downturn in trading profit and the paper division's earnings fell 34 per cent to £52m last year.

Nevertheless, BAT emerged from these difficulties and the problems of high interest rates, increased taxation and a strong currency with a confident attitude. The group's total dividend was increased to 19p (17.5p) and new yields just below 8 per cent.



## Nail biting

## NEW YORK

PAUL BETTS

THE EASTER rally came to an abrupt halt this week as rising interest rates sent jitters through the New York stock market. As late as Monday, when the Dow Jones Industrial Average hit a new eight-year peak of 1,024, the bulls on Wall Street were still talking about the strong chances that the Dow could climb to new highs in the next two or three weeks. Barely 24 hours later, the slide began, taking the Dow back under the 1,000 mark by Thursday for the first time in a fortnight.

Following the pattern of the highly volatile nature of domestic interest rates, the stock market was responding once again to the latest upswing in rates. The prime at most major U.S. banks rose to 18 per cent. Federal funds broke through 20 per cent, although some analysts tried to dismiss the rise as "an aberration" or as technical grounds. But the market, which now believes the prime will go higher, took it as another signal that the Federal Reserve was turning the screws a little tighter on its monetary policies.

In turn, the bond market went into another tailspin with yields both at the short and long end of the market, rising to new records. For some time, the market has been keeping its fingers crossed for what it regards is a long overdue rally in bonds. But all the signs are that such a rally in the current market conditions is wishful thinking. And with the spread between yields on stocks and bonds widening, investors are having second thoughts about stocks. Once again, the easiest option for any investor is to keep his cash in a short term money market fund, whose assets rose again this week to a new record of \$118.5bn.

Despite the confusion and concern caused by the interest rate picture and Fed policies, "Traders and investors are extremely cautious over the Fed policies and these problems have put a lid on the market," Mr. Michael Metz of Oppenheimer remarked yesterday — the stock sell-off has been by no means universal. Indeed, the oil sector performed strongly all week.

Oils were the big stars of the stock market at the beginning of last year. This year they have been the big losers, with

stock prices of major U.S. oil companies dropping between 30 per cent and 40 per cent since their highs last year. During the last two weeks, the large oil companies, with a few exceptions, have reported first quarter earnings declines averaging

Although Wall Street is deeply divided on the short-to-medium-term earnings outlook for oil companies with, some industry analysts projecting gains and others continuing declines, the general view is that the market has perhaps overreacted on this sector. The market is beginning to lose some of its earlier confidence on easing world oil prices. It is coming round to the idea that the current trend in oil prices is only temporary, that the oil supply and demand picture could change by the end of the year, and that the oil sell-off was probably overdone.

The strong performance of oils—the Standard family, Texaco, Atlantic Richfield, Shell, Superior, among others, all put on good shows—is raising some hopes in Wall Street that the oil sector could help prop up a nervous market biting its nails over the short term outlook of U.S. interest rates. Although the renewed tensions in the Middle East was a major factor in helping oil bounce back this week, the broad feeling is that they have now probably bottomed. Even before the latest Middle East hostilities, Wall Street investment houses had begun advising clients to buy selectively in the sector.

Mr. Jack Bennett, a senior vice-president and director of Exxon, also had some encouraging news for financial analysts on Thursday. Although he was unable to answer the key question of how long oil markets were going to be faced with the pressure of high oil inventories, the main reason for Exon's 17 per cent first quarter earnings decline, he estimated that demand for oil products in the U.S. market this year would decline only 1 to 2 per cent, considerably less than the 8 per cent drop last year. He suggested that if this proved to be the case in the U.S., and if economic growth resumes in Europe, "our marketers and refiners should not be as hard pressed for the remainder of this year as they have been in recent months."

MONDAY 1,024.05 + 3.70  
TUESDAY 1,014.92 - 7.12  
WEDNESDAY 1,004.32 - 12.61  
THURSDAY 997.75 - 6.57

## MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1981	1981	
	y/day	on week	High	Low	
F.T. Ind. Ord. Index	591.9	+ 4.6	597.3	446.0	Hopes of economic recovery
BAT Industries	350	+30	362	230	Good results
Blue Circle	494xd	+66	496	326	Profits exceed estimates
Charter Cons.	265	+22	268	188	4.3% holding in RTZ
Commercial Bank of Australia	230	+66	230	110	Bid approach
Commercial Union	178	+16	179	135	Bid hopes
Crouch Group	154	-19	184	138	£1.9m Conv. Loan rights issue
Distillers	228	+16	229	178	Institutional buying
Farnell Electronics	470	+32	470	337	Annual results
House of Fraser	164xd	+15	168	117	Results as forecast
ICI	322	+16	330	226	1st-4 figures above estimates
Mettoy	20	- 5	26	14	Dividend cut, £4m loss
Mobel	27	+ 4	29	17	Strong 1st-4 profits recovery
Owen Owen	240xd	+44	240	106	Speculative demand
RTZ	530	+53	580	372	Bid rumours/stock shortage
Royal Bank of Scotland	172	-20	195	87	Bids go to Mon. Commission
Simon Eng.	430	+49	430	270	Good preliminary figures
Tarmac	418	+48	420	238	Excellent preliminary results
Unilever	546	+28	546	438	Comment on annual report
United Wire	50	+15	53	25	2nd-4 improvement forecast

quarterly trends survey from the CBI. Dealers regained some of their confidence on Wednesday—and they were helped by a surprisingly buoyant set of results from Blue Circle. This followed good figures and a 20 per cent dividend increase from Tarmac the day before.

Analysts had been predicting something in the region of £85m to £70m for Blue Circle against £52m the year before. In the event, the company broke out of its recent profit plateau in style with a 50 per cent jump to £78.6m. The shares climbed 26p to 478p on the day and by yesterday evening they were just 4p short of 500p.

The real action came on Thursday with ICI's results. A recovery in the manufacturing giant's first quarter had the market moving sharply ahead in the afternoon and the Index was

miserable time in the second half of last year, the main reason for betting on a maintained dividend was that it was possible to be reasonably confident that by late 1981 things would be much, much better. ICI's state of near despair in the winter resulted from the absence of any sign of an upturn combined with the fear that the strength of sterling would leave the group at a competitive disadvantage even when the cycle did turn.

The 1981 first quarter figures, which so excited the equity market on Thursday, show pre-tax profits of £52m—a very unsatisfactory return on £14bn of sales, which has to be set against profits of £171m in the first three months of 1980. But compared with the complete absence of profits in the second half of 1980 it looks like sharp recovery, and ICI admits to having seen better

their lowest levels of the winter, and are back to where they were before the market began to get jittery about the dividend. The yield is around 7 1/2 per cent, on the lower page.

## Sunny Horizon

Despite some recent portents of harder times for the package holiday business, Horizon Travel launched a £8.8m rights issue this week with a forecast of "significantly" higher profits in its year to November, 1981. The rights issue had been help up for a few weeks after the announcement of the group's doubled 1980 profits partly so that the reassuring forecast could be made.

Doubts about the prospects for the travel operators spring in part from the uncertain outlook for disposable consumer income and in part because the conjunction of favourable factors that boosted last year's profits in the industry seems unlikely to persist.

Until Horizon's forecast, the indications from various other

## Should you invest in commodities?

Answer this simple quiz:

- ☐ Have you at least £50,000 in other investments?
- ☐ Would you welcome a more speculative element in your portfolio with higher chances of profit?
- ☐ Would you like faster movement in your investment than is provided by shares?
- ☐ Have you got at least £5,000 to devote to high-risk speculation?

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## UNIT TRUST AND INSURANCE OFFERS

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## All the fun of the fair

IF THERE is one thing that excites shareholders and shareholders alike it is take-over talk. The glittering prospect of doubling your money overnight—or losing half of it—stirs the adrenals as much as any wild ride on a roller-coaster.

Ever since the big oil companies began casting anxious eyes on the world mining industry, the market has been playing the merry game of spot-the-lady and two popular choices have been America's Newmont Mining and Britain's Rio Tinto Zinc.

Meanwhile the London-based Consolidated Gold Fields has tipped in smartly under the noses of the U.S. oil majors to acquire a stake of about 7 per cent of Newmont for £45m, paying an average price in the market of 558 pence per share. Furthermore Gold Fields has said this week that it intends if possible to acquire up to 49 per cent of the shares.

Needless to say, the price of Newmont shares has jumped on the news and the obvious question being asked is why Gold Fields did not try to negotiate a purchase with Newmont in the first place before disclosing its hand in the market.

The answer given is that Gold Fields feared that its approach might have been publicly rejected in which case the price of Newmont shares would have jumped before Gold Fields had a chance of getting any of them at around 558.

Nor was it possible for Gold Fields to continue buying up Newmont shares stealthily without telling anyone because under U.S. rules a company is required to disclose the fact that it has acquired 5 per cent of another's shares. When the 10 per cent level is reached Federal Trade Commission approval is needed before further purchases can be made.

Gold Fields now has to face the FTC hurdle and also awaits to see how Newmont feels about things. Essentially this is a non-hostile approach to Newmont. "We don't want to control or dominate the company," says Mr. Rudolph Agnew, Gold Fields' chief executive.

He no doubt hopes that Newmont will agree to sell some, if not all of the further shares sought by Gold Fields. The alternative, of course, will be for Gold Fields to continue buying in the open market and this could be expensive. As it is, the group reckons that a total purchase of just under 50 per cent of Newmont could cost between \$500m and \$750m de-

pending on the share prices paid.

But Gold Fields does not intend to chase rising prices and if need be it will settle for a minimum stake of 25 per cent in Newmont. Plenty of cash is available because Gold Fields can call upon loan facilities of some \$800m in addition to internal funds which include what is left from the £181m raised

MINING  
KENNETH MARSTON

for new investment via last year's rights issue.

One cannot help feeling that Gold Fields has chosen a tortuous road to the door of Newmont and that it might have been better to have tried to do an inter-company deal and risk rejection. After all, Newmont is not the only company worthy of inclusion on Gold Fields' shopping list.

Any list would be graced by a stake in RTZ and renewed take-over talk has sent the shares spinning up this week to 580p at one time. They closed at 530p yesterday which represents a gain on the week of 53p and a rise of £134m in the market value of the international mining and industrial group.

A bid of, say, £10 per share

for RTZ would cost over £2.5bn and it would need a very big fish indeed to raise this kind of money. America's Exon, for example, would be among the few possibilities. But if a bid were to be forthcoming from overseas, it is far from certain that a British government would allow it to proceed.

RTZ represents a vital lifeline of raw materials—including uranium—for the UK. It needs little imagination to foresee the problems this country would face if political or economic forces should ever result in a shortage of strategic metal supplies and the control of RTZ were in foreign hands.

Meanwhile, RTZ has forecast lower earnings for the first half of this year but has pointed to recovery in demand for metal and believes that if there is a real revival it will quickly work through to metal markets in the latter part of this year.

Prior to the latest surge in the share price the investment analysts had been saying that RTZ shares were over-priced in the light of current earnings prospects—they were saying much the same, incidentally, about Selection Trust just before it bid from British Petroleum—and shareholders must be wondering what to do now.

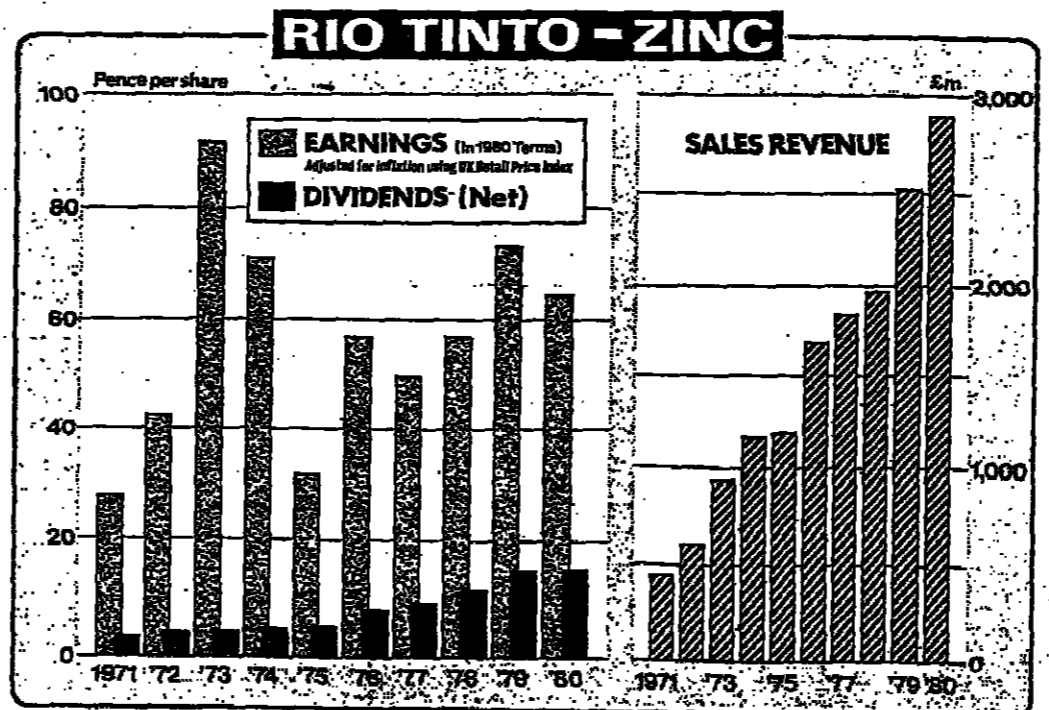
Well, you know, nobody ever really lost money by taking a profit or, as they say, "taking a bit and leaving some for the next man." No one knows

whether there will be a bid for RTZ, but at current prices there could be a case for selling a part of a holding and keeping the rest for the undoubtedly good long term investment that it is.

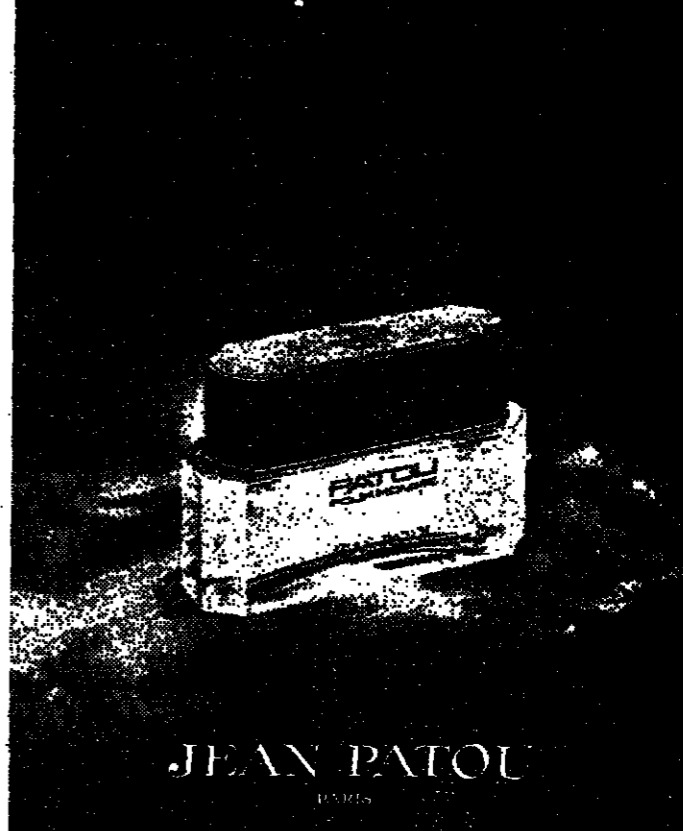
One company that can be considered immune from any outside take-over approach—at least, while the Oppenheimer family is around—is South Africa's De Beers. As with base metals, the diamond market is still weak but, here again, there are signs of a tentative recovery and De Beers is pressing on with its expansion programme which aims to raise annual diamond production from just over 14m carats to about 19m carats in 1983.

Interests of De Beers range beyond its first love, diamonds, into gold mining, industrial interests and other activities. This diversification is now being carried further, and outside South Africa, via the group's 23 per cent stake in the \$2bn asset backed Minerals and Resources Corporation (Minroco) which is registered in Bermuda.

Not given to making forecasts lightly, Mr. Harry Oppenheimer says in the De Beers annual report that Minroco's recent reorganisation, "will prove very advantageous to us in the future." There are other ways of making money in the fair ground than playing spot-the-lady in the take-over stall.



...and then came  
"Patou pour Homme"



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## FINANCE AND THE FAMILY

## Rateable value of a house

BY OUR LEGAL STAFF

For a normal domestic dwelling house against what data is a rateable compilation made to arrive at a final rateable value? In the absence of any rating assessment and subsequently absence of any rates demands, what liability exists for payment and how far may this be back-dated? In such an event, is the occupier liable for payment of rates due?

(a) The rateable value is arrived at by making statutory deductions from a gross value, which is a value taken as the letting value of the premises in the market on a yearly, non-repairing, tendency.

(b) The liability dates back to the commencement of the rating period (usually April 1 to March 31 next) or the bringing into occupation of the hereditament (if it is a new building) whichever is the later.

(c) The present occupier is liable for rates due.

## Trees blocking light

Under Trees Blocking Light (October 11, 1980) in reply to a reader whose kitchen window had become practically without light because of the dense growth of his neighbour's hedge, you wrote "If no steps are taken to keep the trees to a reasonable height, you can either lop them yourself or apply to the court for an injunction requiring them to be topped." Could you please give us your authority for this statement?

It is necessary to apply the principles underlying *Lemmon v. Webb* (1894) 3 Ch. 1 (see *Clark and Lindell on Torts*, 14th Ed. paras. 71, 1393) to the obstruction of the easement of light which has been acquired by prescription. An obstruction of an easement is a nuisance.

## Shares for a beneficiary

I am the executor of a will. Many of the assets of the estate are in shares. One of the beneficiaries would like to buy some of the shares over his entitlement. We, the executors, would be quite willing for him to do this. Is it possible to do this directly without having to pay brokers or bank fees? If so how do we set about it? What would be the stamp duty situation?

If the beneficiary takes the shares in satisfaction of his entitlement under the will, or part of it, you may transfer direct to him without his having to pay stamp duty or any fees arising. Otherwise stamp duty will have to be paid; but fees for brokerage need not be incurred. An ordinary stock transfer form may be used.

## Computation of dollar gains

A dollar deposit has earned \$1,000 during the tax year. What rate of exchange is used to convert this into sterling for computation of tax—the rate at which the dollars were purchased, the current rate or some other?

If such gains are liable to C.G.T. are any losses incurred allowable against gains elsewhere e.g. on ordinary shares?

For income tax purposes, the interest should be converted at the rate of exchange on the day (or days) on which it was credited to the account.

For capital gains tax (if the account is with a bank), each deposit should be converted at the rate of exchange on the day of deposit. Similarly, each withdrawal should be converted at the rate of exchange on the day of withdrawal. If the account is not with a bank, it will be exempt from CGT.

The answer to your second question is yes.

## Inflation and maintenance

Can an ex-husband, who for the past two years lived and worked in the U.S. for the same company as that for which he formerly worked in England, be compelled by law to increase his maintenance for his ex-wife and children, on the grounds that inflation has made it inadequate? I understand that being outside the jurisdiction presents a problem.

There is no reason why an existing order should not be varied if there are suitable grounds for doing so, notwithstanding that one of the parties is abroad. It may not be possible to enforce the order as varied until the respondent returns to the jurisdiction, but that is no reason not to seek the variation. In any event it may be possible to enforce an order by requiring the employer of the respondent to deduct maintenance payments

in England; but this would depend on the precise company structure.

## French resident and UK tax

I am resident and working in France, but I have two sources of income in the U.K. for which I am unsure of the tax position. I receive rent from a house I own in London. I believe this income is taxable by the Inland Revenue. My other income source is book royalties, which are taxed at source unless I submit a form claiming relief through the French tax authorities. If I do this, will I then be taxed on such royalties in France, and if so would I be better to pay U.K. or French tax on such income?

## Alterations and VAT

I refer to your answer headed "Alterations and VAT" (March 28), and the question of maintenance or improvement to buildings. We are in the process of having a porch built into our house, and I have asked the builder to quote for the complete removal of a chimney breast in the dining room and above bedroom, entailing the removal also of the chimney above roof level. The builder has stated that, while he would not charge VAT

on the porch, he would add VAT to the quotation for removing the chimney. He states that his rough rule of thumb is "if it was not there before and now is, no VAT is payable. In all other cases it is." What, please is your view?

We think that the question posed by you is not an easy one. We would be very hopeful that the removal of a chimney above roof level is an alteration of a building as it changes the external appearance of the house and should therefore be

zero rated by your builder. We feel less sure about the removal of the chimney breast. In our view this is also an alteration but this may not be accepted by the Customs and Excise. We suggest that you get in touch with your local VAT office to ascertain their views. If they state that part only of the work is zero rated your builder will have to split his bill to avoid the whole being subject to VAT. If you do not agree with the VAT office you could consider taking the point to appeal.

will depend on your age and your wife's age at the date you purchased the immediate annuity.

The principle is that part of such an annuity is deemed to be return of your own capital (on which you are not taxed) and the remainder is interest on your capital which is taxed. At one time the fact that this interest content was taxable at the unearned income rate had to be deducted from the gain. As you can now have up to £5,000 per annum before the investment income surcharge starts to bite, this solution is now even better for all those people who do not have an investment income exceeding £5,000 per annum. It simply means that they pay their ordinary earned income tax rate but on a proportion, as opposed to the whole, of this annuity.

At the same time you should ask the insurance company to quote for an ordinary joint life and last survivor annuity for your tax-free capital sum and to give you the proportion of each payment that is taxable (insurers normally do this). This proportion will have been agreed with the Revenue and

companies calculate the position of the annuity which is treated as return of capital "and which we understand is tax free."

It is to your advantage to take the maximum tax-free capital and then use this to buy an annuity.

You should ask your present insurance company to quote you the maximum tax-free sum you can take out of the capital value which you have shown as well as a joint life and last survivor annuity for the balance. The latter annuity is taxable PAYE.

At the same time you should ask the insurance company to quote for an ordinary joint life and last survivor annuity for your tax-free capital sum and to give you the proportion of each payment that is taxable (insurers normally do this). This proportion will have been agreed with the Revenue and

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companies calculate the position of the annuity which is treated as return of capital "and which we understand is tax free."

It is to your advantage to take the maximum tax-free capital and then use this to buy an annuity.

Could you please clarify my position on these matters? You have no choice between paying UK tax and paying French tax. If you are in fact liable to French tax on your UK royalties, you will be entitled to exemption from UK tax on them (under article 12 of the France-UK double taxation convention of May 22, 1968). We cannot be quite sure of your French tax position from the bare facts given.

Your UK rents are presumably being paid to an agent in the UK. If, however, the rent is paid direct to you (or to your bank account in the UK, for example), the tenant must pay 30 per cent tax over to the Inland Revenue and he can deduct this from his rent payments to you.

You will find general guidance in the following free book-

lets, which are obtainable from your UK tax inspector or from the Inland Revenue Public Enquiry Office, Somerset House, Strand, London, England WC2R 0LR.

IR1—Extrastatutory concessions.

IR11—Tax treatment of interest paid.

IR20—Residents and non-residents: liability to tax in the UK.

IR27—Notes on the taxation of income from real property.

If your UK royalties are exempt from French tax, under French law, the UK tax liability on them will, unfortunately, be calculated without regard (broadly speaking) to any excess of mortgage interest over assessable rents. The taxation of furnished lettings is more complex, but we infer that your London house is let unfurnished.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Hospital fees paid—disability income if needed

Health and security

INSURANCE

ERIC SHORT

THE NUMBER of people covered by medical insurance contracts continues to grow, whether taken out by the individual or through his employer. The regular survey by Lee Donald Associates shows that the number of subscribers to the three main provident associations—British United Provident Association, Private Patients Plan and Western Provident Association, rose by 68,000 to 1,715,000 in the first quarter of this year, with the total number of persons insured rising to 3,724,000—6.7 per cent of the population in the UK.

This desire to have the necessary means of having private medical treatment remains unabated. Perhaps it is fuelled by the continued rise in the cost of private treatment within the National Health Service. Payed charges were lifted at the beginning of April by around 15 per cent to £124.60 a day for a London postgraduate teaching hospital, £92.30 a day for a provincial teaching hospital and £85 a day for a provincial non-teaching hospital.

It is likely that this trend will continue, at least until the NHS can sort out its financial problems and its waiting lists for some types of operation. The provident associations are still making strenuous efforts to secure new business, none more so than WPA—the smallest of the three major associations. It has combined with the Friends Provident Life Office to offer a money-saving health insurance package. Friends Provident is a major company in permanent health insurance.

Consider a man aged 34 taking out a WPA Supercover plan for him and his family to meet the costs of a London teaching hospital. This scheme imposes limits on the amount paid to the hospital and the fees of the surgeon and other specialists, but will cover all but the most exorbitant of London private hospital costs. The monthly premium is £23.84.

If he uses this scheme, he will save £9.46 a month on the subscriptions to the WPA scheme, which more than meets the monthly premiums of £7.10 on a Friends Provident PHI scheme providing a benefit of £75 per week if disabled. The total cost of this plan is £21.28 a month, over £2 a month cheaper than

the straight WPA plan. Subscribers get this PHI cover free.

However, the 40 per cent savings may not completely meet the PHI cost as the next example shows. If this man takes out a WPA Supercover for a provincial teaching hospital for himself and his wife, the normal monthly premium is £15.83. The saving is £8.33 a month on the plan meeting most of the cost of a similar PHI contract to that described above.

The individual can take out any level of PHI cover to meet his needs. But the level quoted is standard.

How can WPA offer such discounts. It does this because it saves on the expenses of procuring the business. Firstly, it does not need to underwrite the case. It uses the medical evidence obtained by Friends Provident for its PHI contract and in general its requirements are more stringent than needed by WPA. Secondly, the plan is being sold through Friends Provident marketing setup, primarily through insurance brokers.

Under normal circumstances, an individual unlikely enough to claim would use one or other of the contracts, but not both. The event leading to permanent disability, whether through illness or accident, would be too serious for private treatment—private hospitals do not cater for accidents anyway, nor in general for complex surgery. If an individual uses private hospital facilities, it is usually for illnesses such as a hernia or an appendix operation and not likely to lead to permanent disability.

But someone who is permanently disabled might need recurring periodic hospital treatment. If this could be done privately the WPA cover would come into operation.

## The new Henderson Global Technology Trust.

## Excellent capital growth prospects.

Over recent years advances in technology have been steadily improving the health, comfort and productivity of human life. And now more than ever we look to technology for further advances. We look to seismic technology and recovery techniques to locate and produce the gas and oil we need to power technology to improve the productivity of offices and factories, to electronics to improve communications, to agricultural technology to multiply yields and eradicate disease, and to medicine to lengthen man's productive life span.

Historically, high technology companies and those that finance them have prospered and there is little doubt that technology is the growth investment of the 80s. The electronics sector of the Stock Market, for instance, contains many of the all-time top performing shares and there is every reason to expect companies in the forefront of technology to continue to flourish for many years to come.

## International spread.

Henderson Global Technology Trust has been formed specifically to invest in companies throughout the world which are exploiting technological innovation. The trust will invest in companies involved in such fields as semiconductors, electronic instrumentation, computer hardware and software, computer graphics, laser sensors, spectrometry, data transmission, satellite communication, defence electronics, seismic detection, pharmaceuticals, micro-biology, medical equipment, robots and video tape recording.

Since companies of this type have a tendency to reinvest their profits to finance further growth and development, it is expected that the trust will produce a relatively low gross yield, initially estimated at 0.08%. The short term sacrifice of income should serve however to boost the long term opportunities for capital growth.

Income is paid half-yearly on 23rd February and 23rd August. The first distribution is paid on 23rd February 1982.

To Henderson Unit Trust Management Ltd., Dealing Department, 5, Rayleigh Road, Hutton, Brentwood, Essex CM13 1AA 01-588 3622

I/We wish to buy \_\_\_\_\_ units in Henderson Global Technology Trust at the fixed price of 52.6p per unit (minimum initial investment 1,000 units).

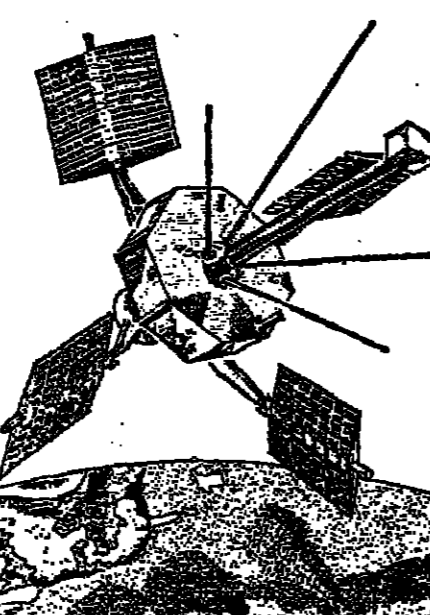
I/We enclose a remittance of £ \_\_\_\_\_ payable to Henderson Unit Trust Management Limited.

This offer will close on May 8th, 1981, or earlier at Managers discretion. After the close of this offer units will be available at the daily quoted price.

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## Highly rated.

When Henderson Global Technology Trust was launched on 30th March 1981, David Collins, writing in the Sunday Telegraph rated it a "Highly recommended" investment. "Any new fund from the Henderson stable" he wrote "should be taken seriously, but this one giving investors some of the more exciting growth stocks to be found in the developed economies of the world, looks particularly attractive."

At Henderson, we have been managing funds for nearly 50 years. Assets under management exceed £600 million and at the end of 1980 we were nominated as Unit Trust Managers of the Year by the Daily Express and Investors Chronicle.

The portfolio of Henderson Global Technology Trust is substantially invested in the USA and Japan—areas in which because of excellent contacts on the ground Henderson have achieved particularly successful investment results in the past.

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You should remember however that the price of units and the income from them can go down as well as up, and you should regard an investment as long term.

## Additional information.

An initial charge of 3% on the assets (equivalent to 4.75% of the issue price) is made by the managers when units are issued. Out of the initial charge, the managers pay remuneration to qualified intermediaries (where applicable on request). The first dividend is payable for an annual charge of 1% (plus VAT) of the value of the Trust to be deducted from the gross income to cover administration costs.

Contract units will be issued and unit certificates will be provided within six weeks of payment. To sell units you must give your unit certificate and send it to the managers. Payment will normally be made within seven working days.

Unit Trusts are not subject to Capital Gains Tax, but a transferor of a unit will have to pay this tax on a disposal of his units. However, if the unit is transferred to a spouse or child, no tax will be payable at the time of transfer. Unit Trusts are not subject to Capital Gains Tax, but a transferor of a unit will have to pay this tax on a disposal of his units. However, if the unit is transferred to a spouse or child, no tax will be payable at the time of transfer.

Trustees: William & Glynis Bank Limited  
Managers: Henderson Global Technology Trust Management Limited, 11, Avenue Road, London EC2A 3ED (Incorporated in England)  
Solicitors: The Law Trust Association

Surname Mr/Ms/Miss

Christian or First Name(s)

Address

Signature(s)

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(If there are joint applicants each must sign and attach name and address separately)

Henderson

Unit Trust Management



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## It pays to decide Nationwide

## SAMUEL PROPERTIES LIMITED

### INTERIM STATEMENT

Results for the six months ended 31st December, 1980

	Unaudited	Audited
	Six months to 31st Dec. 1980	Six months to 31st Dec. 1979
Group income	£'000 3,278	£'000 5,616
Operating profit	1,082	1,807
Share of profits of associated companies	43	104
Profit before taxation	1,110	1,911
Taxation	(425)	(940)
Group	(19)	(54)
Associated companies	(444)	(884)
Profit after taxation	666	917
Transfer from unrealised capital surplus in respect of development properties	65	37
Profit after transfer from unrealised capital surplus	731	954
Profit attributable to minority interests	7	3
Profit before extraordinary items	724	951
Extraordinary items	—	60
Group	—	—
Associated companies	—	60
Profit after extraordinary items	724	1,011
Transfer to reserves	—	(60)
Profit available for dividend	724	951
Dividends after waivers	344	284
Increase in retained profits	£380	£657
of:—		
Samuel Properties Limited	351	607
and subsidiary companies	29	50
Associated companies	—	—
	£380	£657

Estimated. The fall in the Group's profit before taxation is principally due to:—

(a) a lower volume of sales of residential developments than was achieved last year;

(b) an arbitration award relating to a transaction which occurred in previous years totalling £242,000.

The contribution to profit from property investment, the Group's main activity, increased in this period.

The tax charge for the period has been estimated at 40% of the operating profit, but the tax charge for the full year will be reduced by reason of the release of deferred tax should the proposed changes to stock appreciation relief become law.

The Directors have declared an interim dividend of 1.2p per share which together with the related tax credit is equivalent to 1.7143p per share. The interim dividend will be paid on the 2nd July, 1981 to those Shareholders whose names appear on the Register of Members at the close of business on the 5th June, 1981. An interim dividend of 1.1p per share was paid last year.

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## YOUR SAVINGS AND INVESTMENTS-1

Eric Short reports on pensions and the self-employed

### Hanging on to the money

THE NEW life and pension business figures for the first quarter of 1981 are due shortly from the Life Offices Association. They are almost certain to show that sales of self-employed pensions soared to record levels in the quarter, thanks to Sir Geoffrey Howe's generosity in the 1980 Finance Act and Vanbrugh Life's ingenuity in devising the loan-back facility for self-employed pension plans.

The 1980 Finance Act lifted the amount the self-employed can put aside towards their pension from 15 per cent to 17½ per cent of eligible earnings and removed the maximum ceiling, previously £3,000 a year. This gave the necessary incentive to professional advisers to really sell pensions to the self-employed.

But although these concessions applied from the start of the financial year in April, 1980, the self-employed are reluctant to part with their money before necessary. Thus they tend to invest in the weeks ahead of the end of the year on April 5. The life companies have reaped the benefit in the first quarter.

Whether the self-employed should delay payment is open to question. Confederation Life has launched a campaign quanti-

fying how much pension could be lost by the self-employed because he delays payment by nearly 12 months. It could make a difference of over £5,000 to the cash sum of a 30 year old investing a modest £240 each year.

But human nature being what it is, the self-employed are not likely to change their habits overnight. So at present it is a quiet time for self-employed pensions and time to reflect on which type of contract to go for in this current financial year.

The choice is between a variety of unit-linked pension policies and the traditional with-profits schemes. All these contracts are now cash accumulations type schemes building up a cash sum at retirement from which the self-employed buys his pension. Only a minority of traditional life companies still fund for the pension.

One important element in comparing the attractions of the various types, but not the only one, is past performance. Until recently, linked plans and with-profit cash contracts had not been in operation long enough to draw real comparisons. This year, however, there is a sufficient range available to make all kinds of interesting comparisons, which makes

the annual performance survey in the May edition of Money Management invaluable this time.

The table taken from the magazine shows the cash sums actually accumulated for a man retiring on January 1, 1981 having paid six annual premiums of £300 over five years.

The first comparison is the standard one between unit-linked and with-profits. The table shows the top 10 with-profits results and all the results for the linked contracts in force five years ago. The notable exception from the with-profits list is London Life which launched its cash contract only in May 1976. Its cash fund on May 1, 1981 was £4,188 in the top performers.

The results show that only a handful of linked contracts failed to match the top with-profits performance from National Mutual Life. This would vindicate the assertion of Mr. Mark Weinberg of Hambro Life that unit-linked plans do better than with-profits, though it is only fair to point out that his two funds are among those which fell short.

The underlying investment portfolio of a with-profits contract is a mix of equities, property and fixed interest. It would be more valid to compare

mixed funds, known as managed funds, against with-profits. Mixed funds tend to do better than with-profits, but the gap is not so great as with equity funds. As more linked life companies come into the performance measurement, we shall be able to make more reliable comparisons.

But there are sufficient results to compare equities, property and mixed funds. Not surprisingly, M and G heads the equity funds, while Save and Prosper shows a better result on its pension funds compared with its unit trusts. But in general equity funds have done better than property funds—for instance Abbey's equity has done better than Abbey's property.

Secondly, there is not much difference between property funds and mixed funds. Cannon's mixed fund has lagged behind its property fund, but Lloyd's Life's mixed fund has done better.

This survey will be invaluable to professional advisers having to recommend with good reasons, the type of pension contract for their client. The only drawback is it has come too late for the boom in the early months. Such are the problems of collecting the data and producing the magazine.

#### MAN RETIRING ON JANUARY 1, 1981 AGED 45

Value of the cash fund accumulated having paid 6 annual premiums of £300 each.

Equity Funds	Property Funds	Mixed Funds	With Profits
Company	Company	Company	Company
M & G	S & P	Albany Life	Net Mutual Life
5,586	5,475	4,753	4,267
Welfare Inv. Trust	Welfare	Schroder Life	Equity & Law
5,422	4,815	4,546	4,214
S & P	Cannon	S & P Company	NPI
4,990	4,525	4,515	4,162
Lloyd's Life	Merchant Investors	Lloyd's Life	York-General
4,752	4,494	4,419	4,118
Cannon	Tyndall	Confed. Life	Equitable Life
4,714	4,405	4,300	4,111
Abbey Life	Abbey Life	Tyndall	Scottish Widows
4,631	4,270	4,238	4,045
Tyndall	Lloyd's Life	Abbey Life	Medical Sickness
4,545	4,045	4,121	4,041
CU	Hambro Life	Cannon	Norwich Union
4,518	4,040	4,034	3,974
Merchant Investors	Property Growth	Hambro Life	Scottish Life
4,093	3,781	3,950	3,912
	Hearts of Oak	Property Growth	Scottish Mutual
		City of West.	3,864

Source: Money Management.

### Loans—the key

THE INTRODUCTION of the loan-back facility on self-employed pension contracts has turned out to be the "open sesame" to getting the self-employed to unlock their assets and invest in one of these plans with a life company. Vanbrugh Life, a member of the Prudential Group, was the first to introduce this facility and in the six months since introduction the company has sold £8m of premiums on these plans compared with £3m in the previous three years.

Under a self-employed contract, neither can the policy be commuted before retirement, nor can it be assigned. So on the face of it the self-employed cannot take a loan or unlock this part of his assets.

So the life companies simply said that they would lend money to the self-employed, the amount being based on the value of the pension contract, but using some other asset as collateral.

The conditions under which loans are granted are extremely relaxed. The facility is automatic independent of the covenant or status of the borrower. The collateral security can be first or second mortgages on property, including the individual's own house. Interest can be rolled-up and repayment need not be made until the individual retires, when he can use the cash commutation to repay the loan, if desired.

The self-employed could usually get loans on such securities before the introduction of the loan-back, but never on

such relaxed conditions. The normal sources of loans usually insisted on definite repayment conditions over short terms. The conditions granted by life companies are making the established banking fraternity wince.

Life companies could be building a trouble for themselves if faced with a spate of foreclosures. But meantime insurance brokers are finding that the loan back enables a sale to be made that otherwise would not have been made because now they can convince the self-employed that he no longer is locking away his assets.

Life companies not offering a loan back facility are now finding themselves excluded for getting business from a large sector of the market. And this has severe implications for conventional life companies marketing traditional with-profits contracts.

Unit-linked schemes can readily offer a loan-back facility by making the loan part of the assets held against that individual's contract. It does not affect the assets held against other self-employed contracts which do not take the loan-back which would mean a self-employed person is not investing his money in someone else's loan. But on with-profits contracts the situation is different.

Here the investments are pooled and the profits shared in the form of bonuses with a common rate applied to all policies. The self-employed not taking loans could be subsidising those who have. Newer, theless, over the past few days, some leading conventional life companies have announced the introduction of a loan-back facility. They are using a variety of methods to overcome the theoretical objections.

Equitable Life and National Provident Institution are lending out of life funds and both have warned that this could affect the bonus rate of those borrowing money. Standard Life is considering borrowing the money from its banking sources to lend to the self-employed, covering its expenses on the turn in interest rates, borrowing cheaper than it lends. But Standard Life has emphasised that it will not affect any bonus rates even if it does lend its own money from life funds. Provident Mutual is both lending out of life funds and not differentiating on bonus rates, since it feels that the demand will be small. Scottish Amicable is making the facility available but has not yet decided how to finance it.

Other traditional life companies could follow with their version shortly. They cannot afford to be kept out of part of the market.

Some life companies however are still against granting a loan but are now having to seek alternative means of meeting the broker's requirements. This means assuring the self-employed that the life company can get them all the loans required under reasonable conditions. Norwich Union, with its banking subsidiaries is well placed to provide this service to the self-employed.

Eric Short

## NATIONAL SAVINGS

TIM DICKSON

### Last chance

THE TREASURY has finally made up its mind that May 9—today week—is definitely the deadline for anyone who has not yet bought the 19th issue of National Savings Certificates.

The maximum individual holding is £5,000 (previous issues do not count) and the certificates have to be held for five years to get the full return of 10.33 per cent free of all taxes.

The table shows why all taxpayers with a few thousand pounds which they do not need in a hurry should rush out to buy. At the moment there is no other investment over a comparable term offering such an attractive guaranteed return.

Treasury 3 per cent 1986, for example, offers the highest redemption yield over roughly this period to all three classes of taxpayer in the example. It happens conveniently to mature in just a little over five years' time. The net yield is only more attractive than the 19th issue to the non-taxpayer who should not be considering a low coupon stock anyway. Similarly the equivalent local authority

bond—just short of five years in our example—is a better bet only for someone not likely to pay tax.

There are, of course, other points to take into account. Gilt-edged stock is a highly liquid asset and can be sold at any time. Depending on the state of the market, moreover, the investor could end up with a better or worse overall return than the ones in the table. The 19th issue can also be cashed in but in such cases investors will suffer a penalty. Repayment after one year, for example, provides a return equivalent to a compound annual interest rate of 5 per cent. Over 2 years the figure is equivalent to 6.77 per cent, over three years 7.58 per cent, and over four years 8.95 per cent.

A marginal difference—which may only be of interest to the committed saver—is the cash flow advantage of the gilt and local authority bonds over the 19th issue. On the basis that £1 in five years time, the fact that there is no income on the 19th issue—the return comes in one big lump at the end—is at least a point to keep in mind.

All this does not seriously detract from the merits of the 19th issue. It will be replaced by a new 21st issue on Monday, May 11, which will give a compound annual return of only 9.02 per cent over five years, free of all taxes. The maximum individual holding is again £5,000 and the penalties for early cash-in mean that the return over one year is 7.5 per cent, over two years 7.6 per cent, over three years 7.85 per cent, and over four years 8.35 per cent.

#### WHY TAXPAYERS SHOULD BUY THE 19TH ISSUE

	Net yield to those on marginal tax rates of:			
	NH	30	45	75
19th issue (5 years)	10.33	10.33	10.33	10.33
Treasury 3% 1986	11.14	9.95	9.37	8.22
Local Authority Bond (4 years, 10 months, 23 days)	13.25	9.27	7.30	3.21
21st issue (5 years)	9.02	9.02	9.02	9.02

Source: W. Greenwell.

Rates as at Wednesday evening.

### Bidding for funds

BUILDING SOCIETY savers can be excused for feeling confused. Competition with the National Savings movement is already intense but it appears that war between the societies has now well and truly broken out.

The conflict, of course, is not new. In recent years building societies have competed furiously over term shares—offering a fraction more interest here, a shade more flexibility there—the big development last year being the Abbey National's launch of its "own granny bond," a six year term share offering 3 points more than the recommended ordinary share rate.

After a lull at the beginning of 1981, more skirmishes are taking place. Investors sitting on the sidelines, should be careful about how and when they get drawn into the fray.

Last week's salvo from the Cheltenham and Gloucester Building Society—an extra 1 percentage point on ordinary accounts "without strings"—caused a considerable stir. It was the first time a building society had said it would pay over the odds on ordinary shares. Undoubtedly the offer is attractive—but on close examination a minimum balance of £1,000 is required (a significant "string," surely) and interest is paid annually, not six monthly, the latter being the usual building society practice.

With competition for mortgage business hotting up, building societies have to be careful not to give away too much to investors. As a result there are often more strings than first meet the eye—hence the need to read the small print.

The Leicester Building Society has come up with possibly the simplest idea—a competition for the society's 800,000 existing investors and anyone opening a new share account in the next three months with five new Ford Fiestas as the star prizes.

Tim Dickson

#### INVESTORS!

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The following table is a comprehensive, non-selective list of the results of recent "sell" recommendations made on the high flier's share tips: it is a comprehensive, succinct, reliable guide for the Private Investor's Letter.

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Share	% Capital gain
Dobson Park	+ 29%
Doreen Holdings (Eire)	+ 18%
Oilmin NL	+ 200%
Office & Electronic Holdings	+ 44%
Brentgreen Holdings	+ 24%
Central Pacific Minerals	+ 167%
Southern Pacific Petroleum	+ 146%
Pan American & Overseas Fund	+ 77%
Premier Consolidated	+ 158%
Mitros	+ 141%
KCA International	+ 90%
Britannia Arrow Holdings	+ 47%
Levi Strauss & Co (USA)	+ 30%
Davies & Newman	+ 50%
Average Capital gain * on profits	+ 87%

\* Dealing costs are excluded, as are dividends etc. accruing. Based on this performance, The Private Investor's Letter is indisputably worth many times its modest annual subscription for its share recommendations alone. In fact it is far more than a list of share tips: it is a comprehensive, succinct, reliable guide for the serious (and would-be serious) private investor. For details of a FREE TRIAL offer, write or telephone now.

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## YOUR SAVINGS AND INVESTMENTS-2

FINANCIAL  
ADVICE

Tim Dickson reviews the services of accountants

## Using your own tax watchdog

COMEDIAN JOHN CLEESE seldom, if ever, had a good word to say about accountants. But when it comes to the serious business of what to do with their money many investors may beg to disagree.

Accountancy, of course, is a huge profession ranging from the small High Street jack-of-all-trades to the big London firms with a number of specialised departments and back-up staff. Accountants, however, can probably claim to be more impartial than most advisers even if their knowledge of individual investment opportunities is not always extensive.

Invariably, for example, they charge for their services on a fee basis and any commission received from insurance companies or the like—some actually share the stockbroker's reward—is usually knocked off first. Under their code of ethics accountants are required to tell clients when they have received this sort of remuneration so in theory they should feel better able to recommend (where appropriate) the policies of a non-commission paying life company than an insurance broker.

The other big plus of using an accountant for financial planning is that they are in a good position to take an overall view. The chances are, for example, that by filing in the

client's tax return an accountant should quickly spot a large and unneeded current account balance, poorly invested capital or inadequate pension provision. These are often the questions which other advisers ask but the answers are not always so immediately forthcoming.

The big drawback to using an accountant for all forms of advice is that they are not generally individual specialists in the areas on which they are called upon to make recommendations. Many admit that they can never really replace stockbrokers, solicitors and insurance brokers who are often used extensively to advise on specific alternatives.

This is hardly surprising. Accountants are primarily audit or tax experts and do not as a rule have a detailed working knowledge of the Stock Exchange or the wide range of self-employed pension policies. Unlike stockbrokers, clearing banks, or merchant banks, the big firms at any rate do not offer a portfolio management service, preferring simply to make general recommendations based typically on a client's tax position. As unit trust groups know to their advantage, many of the smaller local firms do consider themselves capable of taking some equity decisions.

As tax specialists, accountants are therefore well suited to offer general financial planning advice but investors will almost certainly have to look elsewhere, or more likely rely on the firm's

own contacts, for more detailed assistance.

As a rule accountants do not turn people away but in the case of small investors their fees will often do the trick. Most firms will not start the time clock the moment you walk through the door, but once the detailed work begins top advice in London will cost in the region of £40-£70 an hour. Junior staff will be less expensive, though the standard of work may not be so high, and firms outside London are likely to have much more modest fees. Clients will have to decide for themselves how much they are likely to save before their money starts ticking away.

One area where accountants are particularly keen to help is capital transfer tax planning. This has become increasingly important, especially since in the last Budget the Chancellor of the Exchequer made it possible to considerably reduce the CTT bill by handing over money during a lifetime. As a result some accountants get closely involved in the making of wills, although of course it is the solicitor's prerogative to provide legal documentation.

On tax avoidance, many accountants are ambivalent. Although often showing public disapproval, most say they will simply warn clients of the risks, the costs and possible consequences if elaborate schemes are challenged.

As with all other professional advisers, finding the

right person is always a case of trial and error. Those of modest means will probably be advised to stick to local firms but anyone with a big tax problem may feel happier going to one of the medium-to-large, usually London based, practices. Here is a list of medium to large sized possibilities.

**Dearden Farrow.** Has its own personal financial planning department with 7-8 individuals. Clients mostly come through audit contacts and the firm runs a scheme through companies for giving financial advice to employees. Doesn't advise on specific investments but will probably recommend a balance say between high and low yielding equities or UK and overseas stock markets. Address: 1, Serjeants Inn, London EC4.

**Howard Tilly.** The firm concentrates on the overall "strategy" without being too specific though partner Mr. Roger Clark says he is happy to suggest individual fixed interest stocks. Particularly keen on the CTT planning possibilities and the personal pension plan field. Personal tax department within the firm which handles cases which are at all complicated. Address: 1, New Oxford Street, London WC1.

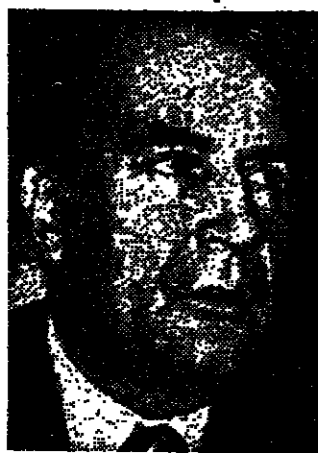
**Robson Rhodes.** Does not have an actual personal financial planning department but personal clients handled through the tax side. RR's

John Rayner says his approach is "heavily tax orientated" and bond or equity specialists called in for detailed advice. A part time responsibility of one partner is to do occasional in-depth reports on existing clients as a check that assets are being sensibly deployed. Address: 186, City Road, London EC1V 2NU.

**Spider and Pegler.** The firm's Eddie Wray feels strongly that accountants can offer a more independent service than most. Large number of personal clients from company client contacts to unconnected individuals. Checklist followed each year as income tax returns are compiled — commissions such as savings certificates, pension arrangements pointed out twice yearly newsletter (once before the end of the financial year) on personal tax topics; specialist research sector to provide back up on complex cases. Address: St. Mary Axe House, St. Mary Axe, London EC3.

**Thornston Baker.** The firm has far more regional offices—58 than any other accountant. These offices are grouped into regions, though each department has a national head office. Personal Financial Planning head office (Address: 187, Dyke Road, Hove, East Sussex) provides quarterly bulletins for regional offices on topics of current interest and internal lecturing.

## Frenchmen sitting on the fence



M. Mitterrand

THIS WEEK, the Paris Bourse has finally woken up to the fact that France might soon have a Socialist President. It has greeted this blow to its prejudices by going sharply into reverse. But the reverse is not yet a rout: investors, like the majority of Frenchmen, are still just about sitting on the fence.

This relative calm on the Bourse is uncharacteristic at election time. There are still vivid memories, for example, of the plunge in the index in 1978,

when the Bourse panicked at the prospect of a Left victory in the Parliamentary elections. Since January, however, the CAC general index has shown no particularly strong movement in either direction. From 112 at the end of last year, it has gone down to a low of 108.1 and up to a high of 112.5, finishing yesterday at 106.2. Thus, after a 5.5 per cent fall in the last two days, it has still not retouched its low for the year.

Perhaps the most convincing explanation of this behaviour is

that the Bourse decided late last year that President Giscard was almost certain to be re-elected and has been reluctant to change its opinion. There is nothing surprising in this judgment. For the last six months, this has been the conventional wisdom, bolstered by opinion polls which showed towering leads for the sitting President.

Thus the Bourse, while not showing any particular enthusiasm about the prospects—profits are, after all, expected

to diminish this year—seemed content to sit on its gains of the last three years.

A more technical explanation, supported by some institutional investors, is that the Bourse has changed in character to a considerable degree since 1978. The fiscal reforms to encourage savings and investment in the stock market have diminished the speculative element in Bourse dealings. According to this point of view, the new investors have less interest in short-term operations than long-term placements.

Whether this is true or not, it is clear that the SICAV unit trusts, which effectively gather together a lot of these new funds for investment, have continued to play an important role. It is calculated that up to a third of the funds flowing into the SICAVs in 1980 was spent in the market in the first quarter of this year. The effect of this would have been to smooth out some of the downward pressure caused by political uncertainty.

The question stockbrokers are now asking themselves is whether the Bourse will suddenly begin to over-react to the possibility of a Mitterrand victory on May 10. A win for the Socialists could entail considerable Communist influence on policy, with all that that implies to a capitalist economy. Anxiety on this score has clearly been increasing this week, with investors moving in particular out of stocks that are under threat of nationalisation.

Three factors could play against a big reverse, however. The first is the natural anxiety not to be caught out, as in 1978, in panic selling: after all, President Giscard is 2-0 up in his contests against his Socialist opponent.

The second is that, even if M. Mitterrand gets in, it is not at all clear how free he will be to act. At the very least, he will need a Parliamentary election before he can put through major economic policy changes. This gives the Bourse a breathing space.

Thirdly, no one really knows how far he will go in policies inimical to the Bourse. The Socialists want to nationalise all the financial institutions which have not so far been brought under control of the State, plus another nine large industrial companies.

But the party is not wholeheartedly in favour of wholesale extension of the State sector. Nor will it necessarily be against important Giscardian policies such as the freeing of prices, and it is committed to a big public works programme. There are plenty of reasons, as a number of brokers said yesterday, to remain on the fence.

Terry Dodsworth

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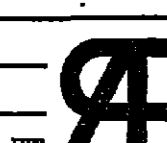
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## LEISURE

## What Canadians do so well

IT WAS late May. On the parade ground of Halifax Citadel, students were being put through their paces in preparation for their guard duties during the coming summer months. They were taking it very seriously and would look extremely smart in their red and black uniforms, as I knew from having encountered some of their contemporaries at other citadels in other years.

The Canadians do this sort of thing well, and part of the fortifications have been adapted for excellent audio-visual presentations of the history of the Citadel in particular and Nova Scotia in general. From the Citadel walls, the view takes in the whole city and harbour installations which are rapidly making Halifax the container capital of Canada.

We passed the docks on one of the regular harbour tours which start from the charming area known as Historic Properties; this is the original 19th century waterfront restored, beneath the glassy high-rise gaze of modern Halifax, into a delightful district of small shops, offices, restaurants. One of the restaurants, the Clipper Cay, is among the best in town and it was here that I first coincided with the lobster season. Sadly, I am not greatly addicted to the crustaceans, but it was a joy and an education to watch my host dismembering one monster with all the skill and concern of a surgeon. The variety of seafood is quite staggering from mussels and mackerel to scallops and swordfish.

Probably the most famous tourist circuit in the Maritime Provinces is the Cabot Trail—a magnificent 290-mile route round Cape Breton Island, Sydney back to Sydney. But on this occasion I explored other aspects of Canada's eastern seaboard. A week later and I would have coincided with apple blossom time in the Annapolis valley north-west of Halifax. It was in this green and generous countryside that I stood by the statue of Longfellow's

## TRAVEL

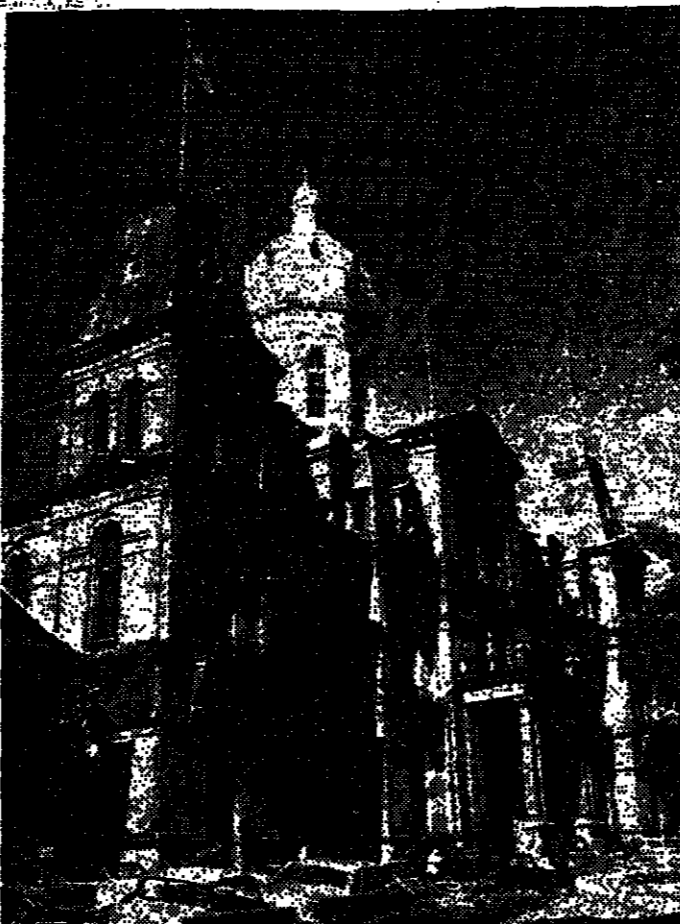
SYLVIE NICKELS

"Evangeline" aware of uneasy stirrings of my national conscience. The deportation of the Acadian (French) farming families from Atlantic Canada in 1755 was not one of our finest episodes. Behind the statue of Evangeline, who grew old in a lifetime's search for her lover after the deportations, a little church is now a museum graphically summarising events. Farms and crops were burnt, livestock appropriated. Later, many families crept back again and succeeded in making some of the most unpromising land bear fruit, including the soggy marshlands of north-eastern New Brunswick. Today, the Acadian Historical Village on the peninsula north-east of Bathurst gives an impressive idea of how they did it and how they survived.

Alas, I did not have time to go that far, but I did visit King's Landing, the 19th century English equivalent, 23 miles away up the Saint John River from the New Brunswick capital, Fredericton. The Canadians do this sort of thing very well, too, and I had a wholly delightful afternoon stepping back a hundred years and more, among men and women in the right 19th century costume doing the right 19th century things.

Fredericton's great pride are its elms, many of which survive despite Dutch Elm disease, thanks to the small full-time team who tend them. The United Empire Loyalists who fled here in 1783 really put the town on the map, and the late Lord Beaverbrook helped to keep it there, presenting it with among other things, a fine Art Gallery and Playhouse.

About 70 miles away down the Saint John River, busy Saint John was founded almost overnight by those same Loyalists. I



These legislative buildings were put up in 1880 two years after Fredericton was chosen as the capital of New Brunswick

liked its no-nonsense character that somehow combines the atmosphere of a Victorian port and industrial town with 20th century Canadian know-how. Saint John became North America's "Liverpool" on the Bay of Fundy which can claim the most massive tides in the world, reaching heights of up to 53 feet.

One of the best places to find out about the unique natural phenomena of the area is the Fundy National Park, some 80 miles to the north-east of Saint John. Operating national and provincial parks, each with its own specialities, is another Canadian talent. Those of Fundy are concerned with the Bay's antics and some of Canada's earliest history: those of Kouchibouguine in New Brunswick, and Kejimikujik, Nova Scotia, include particularly good conditions for canoeing or angling in labyrinthine waterways. All have well-marked hiking trails and carefully controlled camping or trailer facilities. All also run imaginative "interpretive" programmes of walks and talks in which experts and enthusiasts interpret the Parks' human and natural history to visitors. It was with such enthusiasts that I watched terns courting on the sand banks of Kouchibouguine and was introduced to such exotics as a yellow-bellied sapsucker and a black-backed three-toed woodpecker.

There is probably no better-equipped part of the world in which to combine general touring with one's own special interests in many fields. Self-drive arrangements, including well-equipped campers or motor homes, are packaged from the UK and the Canadian cost of living compares more than favourably these days with our own.

Further information: Canadian Government Office of Tourism, Canada House, Trafalgar Square, London, SW1; Eastern Maritime Provinces c/o New Scotland House, Cranborne House, 14, Pall Mall, London, SW1 5LU.

## RACING

DOMINIC WAGAN

DESPITE that disappointing run in the Ladbrokes Craven Stakes, To-Agori-Mou will, I feel reasonably confident, prove a worthy classic winner at Newmarket this afternoon.

Up until his lacklustre display against Kind of Hush in the Craven, To-Agori-Mou had accomplished almost all that had been asked of him, with his one setback having occurred through that narrow Dewhurst defeat at the hands of Europe's champion juvenile, Storm Bird. Although To-Agori-Mou was beaten strictly on merit when making his return to the fray in the Craven Stakes, I believe that the defeat can be overlooked on the grounds of him lacking peak fitness. Looking decidedly better, To-Agori-Mou ran a sluggish race and took far too long to master Dalby, Mustang and Sunley Builders for it to have been anywhere near his true running.

Guy Harwood, who blames himself for not having given To-Agori-Mou (a normally lazy colt at home) more work before that defeat, remains adamant that the form can be forgotten. Furthermore, he reiterates that To-Agori-Mou continues to show himself a better colt than either Rectitude or Kalgow.

Harwood is an optimist but also a realist and I know he would, by now, have given a guarded warning over support for the 2,000 Guinea favourite, were he not entirely happy with the colt's wellbeing and progress.

To-Agori-Mou, whose stable companions Rectitude and Kalgow have both scored runaway victories recently went through a searching gallop at Pulborough on Saturday with flying colours and remains the logical choice for what looks to be a sub-standard race for the 2,000 Guinea.

For those not prepared to take a short price about him, the Queen's Church Parade could be a worthwhile each-way alternative. The three quarters of a length conqueror of the then less forward To-Agori-Mou in a maiden race at Newmarket in July, Church Parade went on to land Goodwood's Lanson Champagne Stakes before ending the season with a third placed effort in the Laurent Perrier Champagne Stakes at Doncaster.

## NEWMARKET

1.45—Reading  
2.20—Mayan  
2.40—To-Agori-Mou \*\*\*  
2.35—Sharp \*\*\*  
4.05—Blair  
4.35—Cannon King \*

## On the roller-coaster

ISLAY, OFF the west coast of Scotland, is renowned for its natural beauty and incomparable single malt whiskies but I can't imagine anyone having a kind word to say about its roads. Last week, as the sleet blew horizontally across the great bogs, I sampled the island's roads for the first time. (I also sampled all the eight single malts of Islay after my motoring had finished. If there is a more efficient way of driving the cold out of one's bones, I don't wish to hear about it because it could not possibly be so agreeable.)

The car I drove on Islay was Toyota's new Cressida, which went on sale in Britain yesterday at prices ranging from £8,656 for the five-speed manual DX estate to £8,353 for the GL automatic saloon.

Toyota, which last year overtook Ford to become the second largest car maker in the world after General Motors, is Japan's most traditional manufacturer. There is a front-drive Toyota—the Tercel, which is not sold in Britain—but with this one exception, all Toyotas are of straight-forward, conventional design.

Islay's roads are narrow, well signposted and not all that badly surfaced. The trouble is they are never level. The five-mile stretch of the A846 past the tiny airport runs as straight as a die but you drive along it, cresting the peaks and plunging into the troughs, like a coaster bunting up the Channel on a mad March day.

So the first thing one noticed about the Toyota Cressida was its suspension. The ride, in the circumstances, was surprisingly good—surprisingly because the suspension is plain and simple, with McPherson struts at the front, a coil spring live axle at the rear, just like a Ford Cortina, in fact.

Despite the roller-coaster road, the Cressida sped past the airport comfortably and quietly. If the steel-belted Dunlop radials were having a hard time, one was unaware of it inside the car. Toyota have done a first rate job of keeping tyre and suspension noises where they should be—outside the car.

The Cressida I started with was the 2.2-litre diesel. This is the first Japanese diesel car to reach the British market and at £8,970 it is an attractive proposition for the high mileage motorist. The engine gurgles at tickover and its high-speed hum has a baritone quality but its torque curve is flat and little gear changing is called for. While it will run up to 60 mph in third, if you feel like using



The new Toyota Cressida GL saloon

## MOTORING

STUART MARSHALL

Derv wastefully, it also pulls strongly and smoothly from 30 mph in the high fifth gear. It must be rated one of the better diesels on offer today.

Recirculating ball steering with power assistance is retained on the diesel, which felt handy enough on Islay's curvier lanes, but the petrol-engined Cressidas are Toyota's first medium/large cars to have rack and pinion steering. The GL saloon I tried was more sharply responsive, due in part to the rack and pinion steering but also because it carried a little less weight on its front wheels, than the diesel.

The new Cressidas are thoroughly European in appearance and character. The new 1,972 cc engine, though of only 4 cc greater cylinder capacity than the previous model's unit, develops 18 per cent more power—103.6 bhp at 5,300 rpm—and Toyota claim maximum speeds of well over 100 mph.

Liveliest of all Cressidas, tests at the Motor Industry Research Association proving ground have shown, is the estate car. Its 0-60 mph acceleration figure of 10.9 seconds is strikingly

good for a roomy load carrier; so is its 38.6 mpg fuel consumption at a constant 56 mph and 29.8 mpg at 75 mph.

Reliability and lavish equipment have always been two of the strongest cards in Toyota's hand. The new Cressidas all have tinted glass, quartz clock, "door ajar" warning lights, remote fuel filler release and AM/LW/FM radio. This is with a four-speaker stereo player on the GL, which also has alloy wheels, headlamp washers, electric windows and power operated sunroof.

In theory, it is easy enough to get maps and work out a more attractive alternative to a motorway and trunk road journey. But all too often there seems to be a last minute rush (". . . I thought you had taken the dog to the kennels . . .") followed by a decision that perhaps it would be simpler to stick to the motorway after all.

For unorganised people, the AA have just published "Alternative Routes in Britain." This £8.95 volume has 288 illustrated pages describing 26 cross-country routes between Britain's major towns and cities. The linear maps are uncomplicated to follow and the accompanying text tells you all about the man-made or natural things of interest to be seen on the route.

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## Time to go summer bedding

EVERY SPRING a great deal of money is wasted on summer bedding plants purchased too early to be safe outdoors. These plants are valued by gardeners because they can flower non-stop for months on end whereas most hardy plants have been conditioned by nature to crowd their growth into a much shorter period and so have a correspondingly limited flowering season.

Commercial growers raise millions of bedding plants annually for sale in pots or shallow boxes and usually like to have them already starting to flower by the time they are marketed so that they look attractive. Moreover, since there is a sale for them directly the weather begins to get mild and sunny, they will have the first batches ready in early May or even late April. Except for the very hardiest kinds it is far too early to plant them outdoors with any degree of safety, more so because they will certainly have been reared in comfortably warmed greenhouses and are unlikely to have had any adequate hardening-off before they are sent to market because of the cost of handling plants several times.

Summer bedding plants are a very miscellaneous lot varying greatly in the amount of cold they will endure. At one extreme pansies and violas are really completely hardy provided they have not been rushed along so quickly in well warmed greenhouses that they have been made temporarily tender. Penstemons and antirrhinums are not quite so hardy but they are a great deal tougher than geraniums, petunias, marigolds, scarlet salvia, begonias, helio-lobelia, nemesias, and a good many more of the popular plants which are nevertheless marketed just as early.

I would have no objection to planting pansies and violas at any time now and antirrhinums when winds are cold or frost

## GARDENING

ARTHUR HELLER

and penstemons from about the middle of May provided the plants are firm, sturdy and short jointed. It is the big lush plants that show all the signs of having lived a cosy life that are to be avoided, early. A little observation will soon teach one which are the really satisfactory plants, short jointed yet with a fresh look that indicates no undue check to growth so far and a readiness to grow fast directly they are given more room.

I would not put any of the really tender plants outdoors before the fourth week in May and then only if the forecast weather forecasts for the next few days indicate a minimum cold weather on the way. If in doubt it is far better to delay until early June for once plants get checked it is usually difficult to get them growing really well again.

Yet though it is wise to err on the side of planting a little late rather than too early it may not be wise to delay purchase until then. It may be that the particular varieties you fancy will be sold out by June or the plants on offer then may have been hanging about too long and become overcrowded, drawn and weak as a result. If some satisfactory provision for temporary protection can be made there is a lot to be said for buying all summer bedding plants during May but only planting them outdoors when it is fairly certain that it is safe to do so.

The best form of protection meanwhile is a frame open when the weather is favourable and closed at night or only closed at night or frost.



threatens. It is the ideal method of hardening off but one which plants rarely get in the big wholesale nurseries. Next to a frame I prefer a greenhouse, but one with ample ventilation. Most days the door as well as the ventilators can be thrown open so that the temperature inside is not very different from that in the open. A third option is to knock up a light frame-work of wood just sufficiently high to cover the tallest plants. Over this a polythene sheet can be spread at night or when the weather is cold or windy, but it will need to be well anchored down around the edges with bricks or heavier pieces of wood. Polythene gives less protection than glass against cold but it is very effective in sheltering from wind and it also traps a lot of moisture which is good for young plants that are growing fast.

If you do decide to buy early and finish the hardening off yourself be satisfied with medium size plants that have not yet filled their pots with roots or grown together into a solid mass of leaves in their boxes. Avoid also all plants that are stunted, have pinched or bled leaves or give any other indication that they have suffered some check to growth. Much of the success with summer bedding plants comes from keeping them growing steadily throughout, with adequate watering, occasional light feeding and no violent change in the environment. The most useful book I have received in recent weeks is also the smallest. The Peter Seabrook Good Plant Guide weighs a mere 5oz and can be as easily carried around as a pocket diary yet it contains most of the basic information one requires about over 1,600 plants. Peter Seabrook, with the aid of a team of experts, has covered virtually everything except orchids. There are sections on annuals, biennials, border plants, bulbs, rock garden plants, trees with a separate section on conifers, shrubs, climbers, roses, dahlias, chrysanthemums, geraniums, fuchsias, delphiniums, sweet peas, house plants, fruits, vegetables and herbs and there is also an index of common names.

By ingenious use of symbols he succeeds in giving a lot of information about every plant without devoting more than a couple of lines to it. One can discover in a jiffy whether it is evergreen or deciduous, hardy, half-hardy or tender, annual, biennial or perennial, what kind of soil and position it likes and what are its special uses and merits. It also recommends the best varieties. Peter Seabrook's own favourites being printed over a flush or pink. Most of the varieties are widely available but where they are not sources of supply are recommended. At first sight the price of £3.95 seems high for so small a book but when one considers the amount of information it contains it appears quite reasonable. Certainly for anyone intending to purchase a lot of plants it is likely to save its cost in a few weeks.

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## In the charts

**BY NICOLA BEAUMAN**

(C. H. Rolph reported.)  
If members of the jury were shocked by an innuendo how must they feel today when

## Generation game blues

**BY ISABEL QUIGLY**

**Before  
man**

**BY DAVID FREUD**

**The Making of Mankind**  
by Richard E. Leakey. Michael Joseph. £8.95. 256 pages.

On the central dispute there-  
fore, Leakey withdraws from  
offering a contest. His book is  
weaker in other respects. Large  
sections are devoted to skimpy  
looks at the lifestyle of the  
bushmen, or theories about  
human aggression or language.  
Yet he side-steps the problem  
of why hominids started to walk  
upright: for instance, a central  
topic that Johanson and Edey  
deal with superbly.

# POWs' plight

The sub-title of the book is "Hong Kong and South-East Asia, 1941-1945" and the accounts range all over that enormous area. Memories and original notes are not exaggerated and are all the more reliable for that. And there is irony in the title too—for Japan is also the land of the Rising Sun.

## *Lasting Greek wounds*

BY DAVID TONGE

For a variety of reasons, such more fascinating than wars between nations. Tribe v. tribe conflict is somehow to be expected, but deadly conflict within the tribe merits deep exploration.

Beyond the starting point that the French Revolution was born in the terrible oppression of the vast mass of the populace, the conclusion to be drawn from Whitlauer Hibbert's book is that the complex twists and

## When heads rolled on in Paris

BY JAMES FRENCH

Civil wars and revolutions for a variety of reasons, much more fascinating than wars between nations. Tribe v. tribe conflict is somehow to be expected, but deadly conflict within the tribe merits deep exploration.

Beyond the starting point that the French Revolution was born of the terrible oppression of the vast mass of the populace, the conclusion to be drawn from Christopher Hibbert's book is that the complex twists and

The lesson is that the Revolution eroded, in fits, starts, and spasms, that challenged the complacency of France as the most cultured country in the world. The incredible thing is that as the heads of new wave after new wave of leadership fell—even more frequently among those of managers of Crystal Palace F.C.—there was still enough talent left for

Mr. Hibbert describes many of the Revolution's leaders as "ugly and pock-marked—a

Dr. Guillotin did not invent guillotine but he escaped. It was dangerous to be considered less revolutionary than the neighbour. Orators were all to the fore in the 18th

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## HOW TO SPEND IT

by Lucia van der Post

## A case history

I TAKE a deep personal interest in luggage, afflicted as I am with what seems to be a common problem — that of always carrying more than I can comfortably cope with. I stagger up airline steps and out of supermarkets and onto tubes looking for all the world like a symbol of man's immutable burden. Now I know that no mere suitcase could be expected to cope with the psychological inadequacies that that reveals but at least a sensible look at the possibilities on the market should help contain the problem for those who suffer similarly.

The initial hurdle, of course, isn't so much the container as what you put in it — there is absolutely no substitute for the sort of good old-fashioned discipline that involves making lists of what you really need and packing only that and none of the "might-come-in-handy" or "just-in-case" pile. If you can manage that, then choosing a suitcase is a doddle.

Luggage, as you will have observed, comes in endless shapes and sizes and there are pros and cons to be said for most of them. The most impressive traveller I've met recently was a fashion editor who travelled the world with one single sausage-shaped bag. She never had to consign it to the conveyor-belt (the one disadvantage of this type of bag being its vulnerability to damage), always had it with her and I can vouch for the fact that when I saw her (during a trial weekend in Italy) she always looked a dream. Inside the bag she rolled the clothes gently to fit the sausage shape, much better than packing them flat for cutting down the creases. If you, too, have the strength of mind to plan your wardrobe in this admirable way, then a sausage-shaped bag is the light, portable and very cheap answer.

I'm on the whole a great believer in buying luggage that is light and if you want lightness combined with strength then it's very hard to beat the *Le Tres Chic* range made from tough parachute material which folds into minuscule packages and is called *Le Sportscase*.

Not everybody likes all those multi-compartmentalised numbers which have one section for dirty linen, one for shirts, one for suits and so on. Personally I could

never remember what lies behind which zip but on a recent trip to Africa two pieces of Samsonite's latest line (the Malaga range) coped with everything my husband needed for three weeks. It looked smarter than anything else he's ever owned and he could actually carry it all himself.

For those who believe in buying cheap and often (and you'll have to resign yourself to the fact that there are only two options — cheap and often or very expensive and once-and-for-all) the chain stores do offer some very good value. Recently I featured on this page some light-weight, fashionably soft and squishy bags from British Home Stores — the largest case (27 in by 18 in by 8 in) was only £10.99 and it offers some of the best value I've seen. But look, too, at Marks and Spencer and Littlewoods both of which usually have a very good selection.

I can't myself take the initials cult at all seriously — anybody who could put the status of their baggage high on their list of priorities seems to me to be in need of serious counselling. However, each to his own psychological inadequacies and were I to be in need of initials I think I'd opt for Fendi — it seems to have the most light-hearted approach to the whole business of status. Vuitton, Gucci and Cartier seem to me to invest the whole matter with rather more gravitas than it warrants.

Loewe goes in for initials too and though that would usually count it out for me I have to admit that its soft and squishy suede is of such quality and comes in such lovely colours and the little Loewe logo so discreet that were I in that price bracket I would not be averse to being seen carrying it.

But most of all, if I led the kind of life that demanded such high quality luggage, I think I would prefer to drool at Etienne Aigner of 6 New Bond Street, London W1. There you will find nothing so vulgar as prominent initials — just the very, very best quality leather, beautifully worked, in a wonderful burgundy colour at prices that are enough to make most people wonder where the recession is.

Finally, most of our carrying problems, of course, are very unglamorous and don't involve airlines at all but revolve around the recurring shopping trek to the local supermarket. Short of your own amenable *Sherpa* I would recommend something on wheels — this way the weight is kept off your shoulders and you can either pull or push it all the way home. For that reason I have chosen to show one or two aids to help on that particular front.

1. For sheer practicality this case takes a lot of beating and though not a thing of outstanding beauty I find a certain attraction in its no-nonsense functional look. It comes with much fanfare from the manufacturer — "a new generation suitcase" they call it. What they mean by that is that though a rigid case it is much lighter (7 kg) and stronger than earlier models.

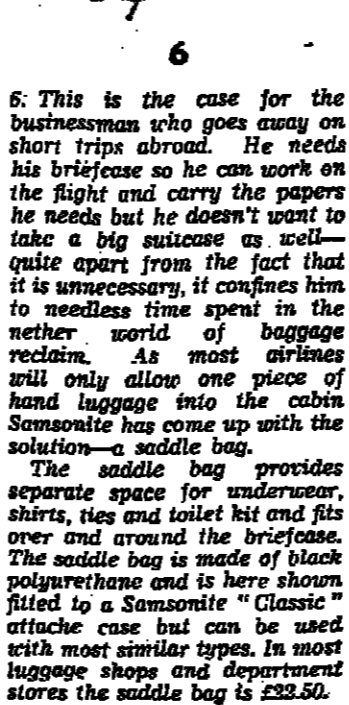
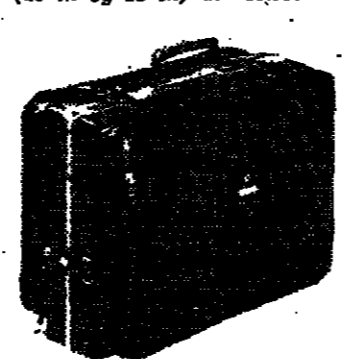
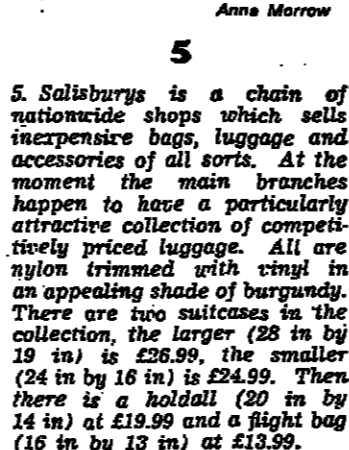
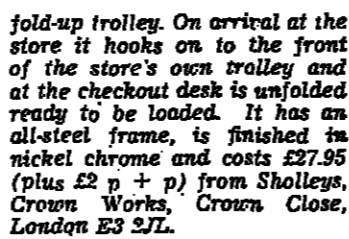
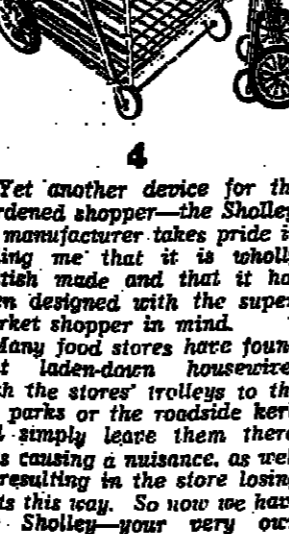
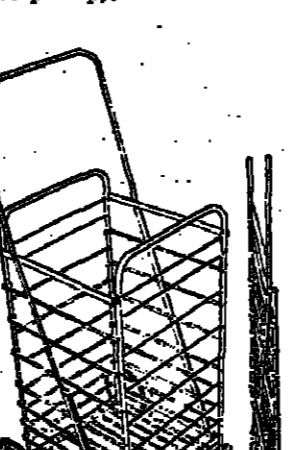
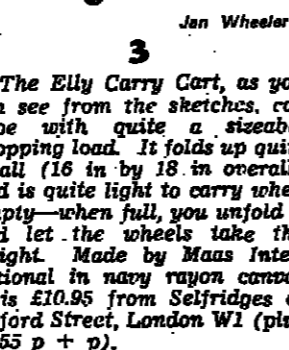
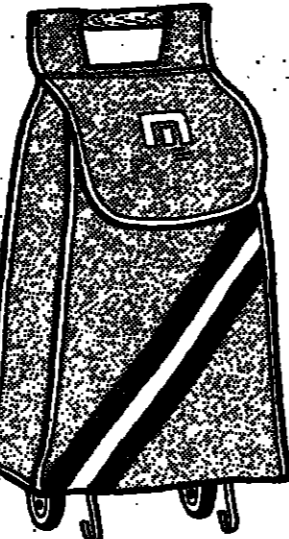
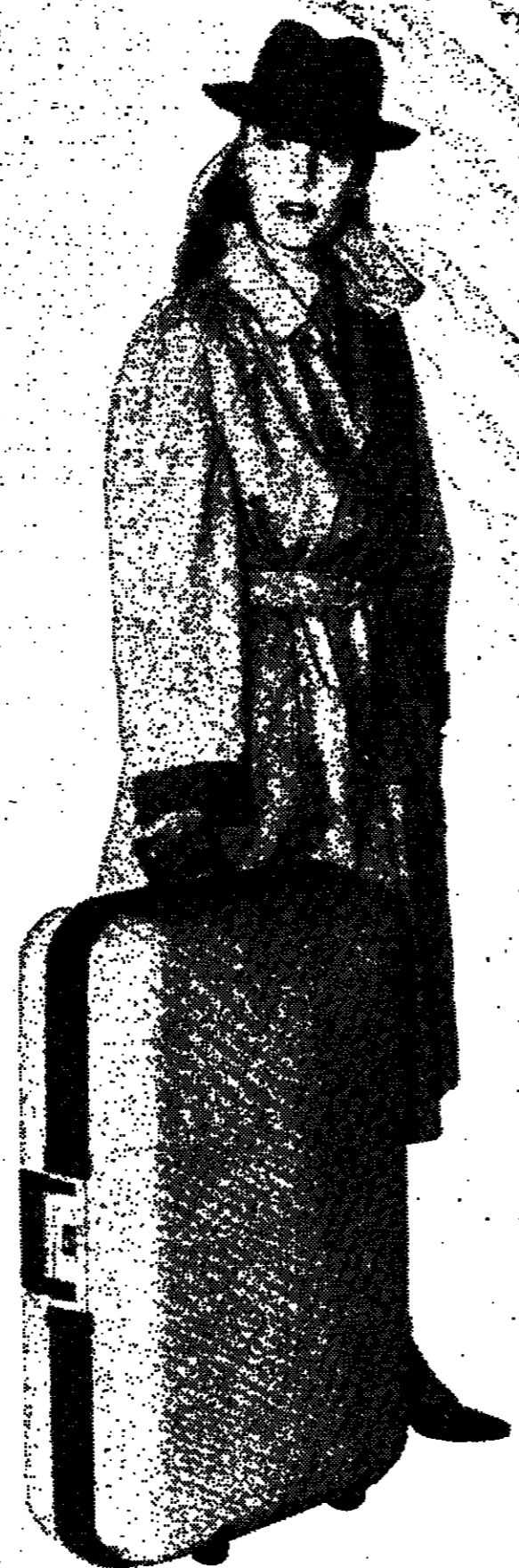
They call it the *Superior*, it has integral wheels for easy pulling or pushing and two handles that recess into the body of the case. The whole case is protected by a rubber bumper and it carries a three-year guarantee. In five different colours and two sizes it is £59.95 for the 75 cm size and £69.95 for the 80 cm size. Barkers of Kensington and Army and Navy Store branches stock it. (The stores will send it by carrier for £3.50 extra).

2. Another ingenious aid for the person who has to cope with heavy shopping. Called the *Wheel Tote*, it starts out as a small black nylon tote bag with a double handle but once the shopping has been done the base can be unspooled thus doubling its capacity and revealing a set of four swivel wheels. When folded it is 14 in by 21 in, when on wheels it is 22 in by 14 in.

3. The *Elly Carry Cart*, as you can see from the sketches, can cope with quite a sizeable shopping load. It folds up quite small (16 in by 18 in overall) and is quite light to carry when empty — when full, you unfold it and let the wheels take the weight. Made by Maus International in navy rayon canvas it is £10.95 from Selfridges of Oxford Street, London W1 (plus £1.55 p + p).

4. Yet another device for the burdened shopper — the *Sholley*. Its manufacturer takes pride in telling me that it is wholly British made and that it has been designed with the supermarket shopper in mind. Many food stores have found that laden-down housewives push the stores' trolleys to the car parks or the roadside herb and simply leave them there, thus causing a nuisance, as well as resulting in the store losing carts this way. So now we have the *Sholley* — your very own

fold-up trolley. On arrival at the store it hooks on to the front of the store's own trolley and at the checkout desk is unfolded ready to be loaded. It has an all-steel frame, is finished in nickel chrome and costs £27.95 (plus £2 p + p) from Sholleys, Crown Works, Crown Close, London E3 2JL.



## Putting a price on a face

IN SPITE OF the recession and the higher cost of just about everything, we all still want to go on looking our best. I find that one of the burning issues that bothers most women is whether they can save money by buying cheaper brands of make-up without — and here's the rub — it showing.

Make-up is the area of beauty where you don't necessarily get more for your money. Earlier this year I helped carry out an experiment at the Selfridges Beauty Playground by producing two separate make-up looks — one used products from the cheaper brands, the other from up-market brands. The same number and sort of products, as well as similar colours, were used for both make-ups. If you look at the chart here which lists everything that was used, you will see that there was a difference of over £50 between the cost of the two looks.

What was encouraging for the budget-minded was that no one in an audience of about 60 women could tell which was the more expensive face.

What seems to emerge is that where make-up is concerned, skill and knowledge count for more than cash and price is not the only criterion by which to buy cosmetics. The main difference between the more expensive brands and the cheaper ones is that the former can afford to offer a wider range of fashion colours, well presented in colour co-ordinated kits. With the less expensive lines, the customer has to work harder to co-ordinate the colours and achieve the right look. But it is perfectly possible to save a great deal of money by taking the time to do this.

Models often use products from the good cheaper ranges: many of these are made by manufacturers with reputations to keep up, and although the presentation may be simple, the textures and colours are good. Some of the best selections can be found in the Mary Quant, Yardley, Boots No. 7 and Miss Selfridge ranges.

Another important way to be sure of not wasting money on make-up is to get professional advice on how to put it on. In the last few years cosmetics have become much more involved with a proliferation of different products in subtle tones and colours, which is why it is so important to know what

you're doing. Many people buy make-up which they don't really know how to use and so it sits in the drawer. Statistics tell us that only a small fraction of the make-up we buy is ever used up. Manufacturers such as Estee Lauder, Helena Rubinstein and Revlon Ultima II are now holding special "schools" in leading department stores all round the country. These schools are staffed by make-up experts and their charges are fairly nominal and very good value.

One of the points which such beauty sessions bring out is the importance of having the right tools — in particular, brushes, sponges and cosmetic applicators. The truth is that few of the brushes that come with inexpensively priced kits are the best for putting on make-up. Most are too small and made of synthetic fibres. The best brushes for applying make-up evenly are the kind you find in art shops, made with real hair bristles.

When it comes to saving money on skin care, it is much more difficult to be specific about whether special highly priced rejuvenating skin creams are worth the cost.

My philosophy, which incidentally, is supported by several dermatologists I have talked to, is that most patients over 40 years old who use these skin care products regularly — particularly those formulated with synthetic hormones — have better skin than those who don't. But when it comes to buying expensive treatment creams — as with expensive scents — don't be tempted to stockpile, even though you may have to pay more next time. Neither product will improve with keeping as the ingredients of both need to be fresh to be effective. Also, once opened they deteriorate rapidly. I think it is better to buy an expensive cream when you feel your skin needs it, use it generously and afterwards, if you must, use something cheaper.

However, with basic beauty requirements such as cleansers, skin toning lotions, shampoos and hand and body lotions, it is a good idea to buy large sizes as they are better value and from time to time many of the leading cosmetic firms offer special economy packs of their products which are real money savers.

Joan Price



Pat Booth  
Pretty as a picture but, judging by a recent experiment not one woman in 60 could tell the cost of the beauty products our model has used

When two sets of make-up products, listed below left and right, were used on two different faces, they added up to very different totals. Interestingly, nobody afterwards could tell which face was the expensive one.

	£		£
1. Yardley Cameo Beige Liquid foundation	1.75	1. Orlane 8.21 Beige foundation	11.75
2. Swedish Formula Translucent Shimmer powder	2.25	2. Yves St. Laurent No. 2 loose powder	14.00
3. Mary Quant Toffee Blush Baby	2.70	3. Gimmesse Spunshine Copper Blushing Powder	6.75
4. Mary Quant Cream Eye Gloss	1.65	4. Charles of Ritz Petal Nacre shadow pomade	3.85
5. Yardley Mink duo eyeshadows	1.55	5. Yves St. Laurent No. 11 duo shadow	12.80
6. Leichner Razzle Dazzle Ace of Diamonds	1.75	6. Helena Rubinstein Silk Accent powder	3.85
7. Miss Selfridge Kohl pencil	.75	7. Madeline Mono Indian Eyes kohl	3.50
8. Innova Brown mascara	1.85	8. Christian Dior Brown Waterproof mascara	5.95
9. Max Factor Brown Brow Styler	1.30	9. Orlane Chataigne Eyebrow pencil	1.60
10. Leichner Close to Tawny lipstick	1.35	10. Guerlain Gavotte lipstick	3.50
11. Miss Selfridge Lip Gloss	1.30	11. Revlon CHR lip gloss	6.50
<b>TOTAL</b>	<b>18.20</b>	<b>TOTAL</b>	<b>74.05</b>

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## ARTS

## Battle sounds

BY B. A. YOUNG

Christopher Logue's *War Music* is not so much a translation of Books 16-19 of the *Iliad*, the story of Patroclus's death and Achilles' revenge, as a paraphrase of a translation. So he can discard what he feels to sound wrong in the language of our time, and use phrases and words of our time to heighten Homer's narrative, words like "radium", "sardine-tin", "air-screw", phrases like "If I should die" and "For unto me this day a child is born". Achilles' marvellous armour, that Thetis brings him after Patroclus has lost the old suit, is made of tungsten. The poetry is vivid and beautiful, with passages to bring tears to the eyes for loveliness.

Take my Sarpedon out of range  
And clarify his wounds with mountain water.  
Moisten his body with tinctures of white myth  
And violet iodine; and when these chryms dry,  
Fold him in miniver that never wears  
And lints that never fade.

Prospect Productions made a play of this once at the Old Vic, but Radio 3 on Sunday entrusted it all to Alan Howard, with Don Fraser's music barely detectable. At his best, Mr. Howard met the challenge splendidly, but there were times when monotony overcame him. The text will be published on Thursday by Jonathan Cape at £4.50.

I said I would come back to Radio Theatre 51 this week, but Olwen Wymark's *Best Friends*, Radio 4 on Thursday, gives me no ammunition for further comment, except to record my long-held wonder that the author has not by now had a West End success. *Best Friends* wouldn't be a candidate, for the first act is all talk—very good talk—and no action; all the same, it's a play that shows a deeply sympathetic understanding of what goes on in the apparently stable lives of ordinary people. The problem concerns the rival claims of husband and "best friend" on the attention of a basically normal woman, though the best friend's claim of friendship relies on little more than jokes shared between the two when they were at school. Olwen Wymark has widened the scope of events by adding a mad father-in-law and a mad (in a different and much more usual way) teenage daughter, and has made her heroine an amateur playwright.

I thought this a most enter-

taining piece, and really worth more in the theatre than a month at the little Orange Tree in Richmond. Ruth Goring and Ann Windsor played the best friends, Christopher Hancock the conventionally chauvinist husband, as they did at the Orange Tree.

Another writer with a way of sharing his thoughts with the world makes his appearance in *The Small Intricate Life of Gerald C. Porter*, a new series designed to enlighten our lives at lunchtime on Monday and late evening on Thursdays, on Radio 4. Gerald C. Porter's encounters with life are confessedly based on those of his creator, Basil Boothroyd, and it's not likely that they will include anything so soul-destroying as jealousy. Mr. Boothroyd is a master—the silly-old-man school of comic writing. The most ordinary problem will pitch Potter-Boothroyd into a maelstrom of misunderstanding and embarrassment. Who better to portray such a character than Ian Carmichael? It seems funny to think of him as middle-aged, but here he is, forgetting his wife's anniversary—present of course, as apt as when he was changing into his swim-suit in *Nine Sharp* 40 years ago.

Chekhov's *The Seagull*, which Radio 4 gave us as this week's Monday Play, is my personal favourite play after Shakespeare, and it was good to hear it in the light of last week's programme about its difficult birth. To my way of thinking, one of the difficulties remained in Gerry Jones's production—the excessively dramatic speech. In a radio performance, it seems to me that Chekhov should never sound any more dramatic than a weather forecast.

James Laurenson's *Trigoris* set the note of detachment I was hoping for, and as Konstantin Michael Maloney was only emphatic in the way that young men with artistic ambitions are, so Michael Maloney was only emphatic in the way that young men with artistic ambitions are. But Petra Markham as Nina, in the final scene, seemed to be playing to an audience as she cried out "No, that's not it!" when in fact she was sharing a miserable confidence with a childhood friend; and even Gwen Watford, an actress I much admire, sounded occasionally as if she hoped there were an impresario in her *dacha*. Perhaps the trouble lies in Elissaveta Fen's translation, which has begun to sound old-fashioned. Still, *The Seagull* is *The Seagull*. Absolute magic.

## Shocking good taste

BY WILLIAM PACKER

The Robert Rauschenberg retrospective that now occupies the new galleries at the Tate (until June 14) is an important exhibition not because it brings us great works of art, but rather because it gives us the chance, long overdue, to reconsider one of the great recent reputations.

The introduction to the catalogue begins: "For more than 30 years Rauschenberg has been recognised as one of the greatest artists of his generation." And indeed, equating success with greatness, it has been the received wisdom that as much should at least be entertained of him—that is to say he is a contender. Greatness is a large claim. Rauschenberg's career has prospered on its easy assumption, and good luck to him. But even with the largest claims, doubt eventually creeps in, and this exhibition, for all its undoubted glamour, interest and entertainment, opens the door to it at last.

When he hit us first, in 1964 at the Whitechapel, we were still punch-drunk from the assault made upon our inhibitions, prejudices and sensibilities by the New York School, and the result was a walk-over. The abstract expressionists having blown painting wide open, here was Rauschenberg taking every advantage. Certainly it seemed very shocking at the time. Somewhat dazed, and excited or appalled as maybe, we staggered out, wondering whether everything, or nothing, was Art.

From this distance, however, that same work seems rather less impressive. It had its significance, of course, and its moment of influence. A comparatively young artist was seen to reflect and comment upon the ideas and preoccupations current in the 1960s, and to do so with considerable style, wit and sophistication. The best work spans that decade, encompassing abstract expressionism on the one hand, the imagery and the actual physical detritus of popular culture on the other; and it foreshadows in many ways the conceptual concerns of the 1980s, and the interest in environmental tableaux and performances.

But adventure one moment is commonplace the next, and looking back now some 20 years even to what one might suppose to be the most radical work, it is hard to read into it any of that old excitement and energy, to feel that remembered



Robert Rauschenberg with part of his sculpture, 'for Aqua'

frisson, except as an exercise in academic interpretation. It may be the fault of everything he has done since, but all we see now are its nicety of disposition, its good taste, strange as it may seem its prettiness. All the junk looks very well: the tin bath, the rather shabby stuffed bird, chunks of wood, bits of wire, the bedspread, pointed up with paint just so. And the fact that this element might go just as well with that, or this, or that: the glass jar look just as well on the shelf as just as well here with this as there with that, slips through by default.

For elegance is a notorious seducer, in art as elsewhere, and no harm in it if recognised and enjoyed for what it is. But sometimes we may well be persuaded against better, which here is to say more careful and sceptical judgment, to read more into the matter than is really there, wishing to see the profoundest significance in quite arbitrary, though admittedly decorative conjunctions

simply because we have found them for a moment so pleasing.

With Rauschenberg it is the old surrealist collage trick writ large and endlessly, effortlessly repeated, and it never fails: indeed there is nothing in it to go wrong. Given a suggestive title or two, and particular imagery, and all manner of association and train of thought inevitably follow on. A single helicopter conjures up an entire war machine, America flies in with every eagle, and President Kennedy haunts the 1960s from behind his misty silk screen. What is easily done in any case is here done rather well, even handsomely, but it means very little; which last matters only in that specific meaning is hinted at, but never delivered.

It is unnecessary and frustrating, perhaps a clever and elegant tease but hardly more, seducing us from the peculiar properties and proper authority of the works themselves as paintings and sculptures, quite sufficient, without the need to consider coherent and particular ideas—too clever by half, and not clever enough.

## Isadora

BY CLEMENT CRISP

Kenneth MacMillan's *Isadora*, given its world premiere at Covent Garden on Thursday night, is ballet asserting its place in the theatre. It may not, in fact, be seen as a ballet: its reliance upon speech, its swiftly-changing and cinematic form, are far from the accepted canons of "ballet" as usually propounded. Moving far on from *Anastasia* and *Mayerling*, it rejects all the polite and binding shackles of the 19th century full-length entertainment to offer a theatrical fantasy about Isadora Duncan, which is unconventional and iconoclastic as its handling. It involves two performers—the ballerina Marie Park, the actress Mary Miller—to impersonate Duncan. Miss Park is the Isadora, dancing "Isadora" whom Duncan saw herself to be. Miss Miller is the "Isadora" of the writings, the speeches and the harangues so central to Duncan's art. As she said to Arnold Genthe: "I may not be a good dancer, but I do know how to speak."

Duncan-Miller is observer, commentator to Duncan-Park, but the personality does not seem schizoid. Rather do we understand the two figures as still recognisable as essential selves in old photographs, for Isadora returns to a theme vital to MacMillan's creative process—his almost Proustian concern with the reconciliations possible between what we were and what we are. Thus, like *Anastasia*'s

third act, *Isadora* is a series of confrontations with the past in which Duncan-Miller views her present and former self, rejoicing and, mostly, grieving with her. At the end, as the fateful Bugatti screeches to a stop, a wild but potent truth has emerged about Isadora, a figure whom MacMillan presents as sympathetic, authentically tragic.

Isadora is in two acts, each lasting about 75 minutes, in which the chronology of Duncan's life is generally observed. They are too generous in incident, and there are certain side-swipes at the Duncan world which I think might with advantage be pruned. In the first act Isadora is the ardent young woman who had the intelligence of Europe at her unshod feet. A fine setting by Barry Kay seethes with a flux of scenes and movement, which in Duncan emerges as an artist, and as a woman loving and living not wisely but too well. Her art is placed in the context of the debased theatre dance of her time—MacMillan caricatures a dreadful French ballet troupe and a group of raucous Spaniards, and is some what unjust to Lole Fuller—while Duncan's emotional awakening, sparked off by a lesbian admirer, leads on to the affairs with Beregi and Gordon Craig. The second act charts her fearful decline, from the liaison with Paris Singer, by way of the death of her children to the Russian venture, the disastrous marriage to Essenin,

the catastrophic American tour, and the last empty years in Nice.

MacMillan's procedures are, as I have suggested, cinematic. Gillian Freeman's scenario, and her text selected from Duncan's writings and orations, guide the narrative from one cataclysm to the next. Barry Kay's design, a permanent set with a huge curtain on a circular track to aid the swift "dissolves" of the action, assist this fluidity of presentation. Richard Rodney Bennett's theatrically vivid score encompasses both pastiche piano music for Duncan's solos and clearly personal writing for the main text of her life. And to impel the drama forward, MacMillan uses every resource open to him in the theatre, from limpid or urgent evocations of Duncan dances to tormented and involuted duets, from big set-pieces—the Russian ballet, the dancing of the children, a stunning scene—actors in the auditorium vying Isadora on her last American tour (with Mary Miller transformed, and magnificent, as the heroic Duncan who dances the *Marseillaise*).

I hope to write more fully about this theatre-piece after its second performance tonight. Meantime, I can but salute MacMillan's daring, the dramatic playing of the entire cast, and hail in particular the beautiful, potent interpretations of Marie Park and Mary Miller, not two Isadoras but one, and absolutely compelling.

## The Booke of Sir Thomas More

BY ROSALIND CARNE

The discovery of a "new Shakespeare play" by means of a computer inspires a massive indifference and incredulity among theatre-goers. In a sense, this is regrettable for *The Booke of Sir Thomas More* at the Young Vic is not at all a bad play.

Tom Merriam, a technical college lecturer, has taken for his surname the writer's unconscious verbal habits—the recurring frequency of unexpected combinations like "and so," and of the commonest prepositions and conjunctions. The more controversy arose in 1916 when Sir Edward Maunde Thompson, keeper of manuscripts at the British Museum, concluded on evidence of handwriting, that a section

of the play was by Shakespeare. His view was contested, but found support from such eminent figures as A. W. Pollard, John Dover Wilson, R. W. Chambers and Caroline Spurgeon.

Independent evidence suggests that *The Booke of Sir Thomas More* was written in 1590 and subsequently revised at the instigation of the Elizabethan censor. Its principal weaknesses are structural. A long opening section covers the 1517 May Day riots where the presentation of low life is laborious and repetitive. Following his success on the London streets, More is quickly knighted and made Lord High Chancellor. The middle section on a moral interlude, *The Marriage of Wit and Wis-*

dom, performed in the hero's Chelsea home and foreshadowing his own moral choice. His refusal to approve the King's Act of Supremacy is rapidly succeeded by imprisonment and execution.

Throughout the play, characters tend to announce themselves and orate, with little interplay or cross reference; only More has the dimensions of a Shakespearean creation. Rather than any sustained dramatic narrative, there is much coming and going of kind's messengers. Some of this could be improved with drastic cuts and imaginative staging, but Gregory Doran's low-budget student production for the Poor Players of Bristol is notably conventional in approach.

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A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

Name .....

Address .....

1	2	3	4	5	6	7	8
9	10	11	12	13	14	15	16
17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	32

- ACROSS
- 1 Dad telephoned for a knife (6)
  - 4 Hastily studying stuffs (8)
  - 6 Genuine article in tale to assign again (7)
  - 11 Inclined to favour one party, but not the whole (7)
  - 12 Two notes in cupola (4)
  - 13 Fuel transporter or compressor it's said (4-6)
  - 15 Dash with hot food from the shop (6)
  - 16 Rebuffed but turned up (7)
  - 20 Act giving me a certain following (7)
  - 21 Contrive to fabricate something false (6)
  - 24 Animal to fit in evening dress (6-1)
  - 26 Worry about ornamental network (4)
  - 28 Not corroded, neither is it taken in (7)
  - 29 Pole to cut the timber from and sleep (7)
  - 30 Riches to value greatly (8)
  - 31 Contest to ward off (6)
- DOWN
- 1 Place of bliss is seen in March (8)
  - 2 Bring up rodent and flighty mammal (9)
  - 3 No two learners make the top of the head (4)
  - 5 Slash open soft fish in agitation (8)
  - 6 Type of jelly and vegetable on top of dog-food? (6-4)
  - 7 I do it incorrectly, being a fool (5)
  - 8 A learner surrounded by blood in abundance (6)
  - 9 Sharpen wines brought up (5)
  - 14 Programme giving a view to you and me (10)
  - 17 River fish to the French is detestable (9)
  - 18 Captive in a stir? (8)
  - 19 Well-built statue with its base in a short road (8)
  - 22 The value of a horse (6)
  - 23 Chief tree on a thoroughfare (5)
  - 25 Female relative takes start of excursion from French resort (5)
  - 27 Preserve a remedy (4)

Solution to Puzzle No. 4558

ACROSS

- 1 DAD
- 4 HASTILY
- 6 GENUINE
- 11 INCLINED
- 12 TWO
- 13 FUEL
- 15 DASH
- 16 REBUFFED
- 20 ACT
- 21 CONTRIVE
- 24 ANIMAL
- 26 WORRY
- 28 NOT
- 29 POLE
- 30 RICHES
- 31 CONTEST

DOWN

- 1 BLISS
- 2 MAMMAL
- 3 HEAD
- 5 SLASH
- 6 JELLY
- 7 FOOL
- 8 ABUNDANCE
- 9 WINE
- 14 VIEW
- 17 FISH
- 18 CAPTIVE
- 19 STATUE
- 22 HORSE
- 23 THOROUGHFARE
- 25 FEMALE
- 27 REMEDY

## TV/Radio

† Indicates programme in black and white

## BBC 1

7.15-8.30 am Open University (Ultra high frequency only). 9.10 Rockface. 9.35 Lassie. 9.55 Help! It's The Hair Bear Bunch. 10.15 Charlie Chaplin in "The Police". 10.40 "Fish Feathers", starring Edgar Kennedy. 11.00 "Dentist On The Job", starring Bob Monkhouse, Kenneth Connor and Shirley Eaton. 12.27 pm Weather. 12.30 Grandstand. Football Focus (12.35). Boxing (1.05). Racing from Haydock (1.20, 1.50, 2.20). Meet The Teams (2.05). Rugby League (2.35). The Rugby League "Three Fives" Challenge Cup Final. Hull Kingston Rovers v Widnes. 4.45 Film Score. 5.10 The Hardy Boys and Nancy Drew Mysteries. 6.00 News. 6.10 Sport/Regional News. 6.15 You Must Be Joking. 6.50 Saturday Girl, starring Katharine Ross. 8.30 The Val Doonican Music Show. 9.05 Dailies. 9.55 News and Sport. 10.10 The Road to the Forum. Los Angeles. 11.00 Saturday Night At The Mill. All Regions as BBC 1 except as follows. Central/Wales-6.10-6.15 pm Sports News Wales. Scotland-4.55-5.10 pm Scoreboard (1). 6.10-6.15 Scoreboard (2). 11.50 News and Weather for Scotland. Ireland-6.10-6.15 pm Northern Ireland News and Sport. 11.50 News and Weather for Northern Ireland. England-6.10-6.15 pm (South-West only) Saturday Spotlight.

## BBC 2

7.40 am-1.55 pm Open University. 3.20 Saturday Cinema (1): "Sombro", starring Ricardo Montalban. 5.00 Saturday Cinema (2): "The Man Who Loved Redheads", starring Moira Shearer. 6.25 The Road Racers. 7.15 News and Sport. 7.30 Rugby Special. 8.20 The Levin Interviews: Bernard Levin talks to John Osborne. 8.50 Arena Presents An Evening With Rene Clarke.

## SOLUTION AND WINNERS OF PUZZLE No. 4558

Mr. T. Gefon, 2 Stonehill Close, London SW14 8RP.  
Mr. G. K. Griggs, "Two Trees", Creek End, Fishbourne, Chichester PO19 3JS.  
Mr. M. L. Taylor, Kimbri, Budnick Hill, Perranporth, Cornwall.

## 19.05 "A Nous La Liberté"

written and directed by Rene Clair.

10.25 Arena on Clair (Gavin Millar talks to colleagues and stars who worked with him).

11.05 News On 2.

11.10 "I'm married A Witch", directed by Rene Clair, starring Fredric March and Veronica Lake.

## LONDON

8.45 am Sesame Street. 9.45 Joe 90. 10.10 Survival. 10.35 Anna And The King. 11.00 Thunderbirds. 12.00 Mork And Mindy. 12.30 pm World Of Sport: 12.35 On The Ball. 1.00 International. 1.05 Sports. 1.10 Speeches (Part 1) Stock Car Racing. 1.15 News. 1.20 The ITV Six from Newmarket and Kempton. 3.10 International Sports Special (Part 2) Boxing. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service. 5.05 Metal Mickey. 5.35 News. 5.40 Chips. 5.50 Family Fortunes. 7.05 Only When I Laugh. 7.25 The Cannon And Ball Show. 8.05 "Betrayed", starring Clark Gable, Victor Mature and Lana Turner. 10.00 Thursday. 10.15 The Big Match. 11.15 The Monte Carlo Show. 12.15 am The Electric Theatre Show. 12.45 Close Personal Choice. Sir Frederick Catherwood. All IBA Regions as London except at the following times:-

## ANGLIA

9.40 am The Lost Islands. 10.05 Rocket Robin Hood. 10.25 The Extraordinary People Show. 10.50 The Saturday Morning Picture Show. 11.00 Saturday Morning Picture Show. 11.15 News. 11.20 The ITV Six from Newmarket and Kempton. 3.10 International Sports Special (Part 2) Boxing. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service. 5.05 Metal Mickey. 5.35 News. 5.40 Chips. 5.50 Family Fortunes. 7.05 Only When I Laugh. 7.25 The Cannon And Ball Show. 8.05 "Betrayed", starring Clark Gable, Victor Mature and Lana Turner. 10.00 Thursday. 10.15 The Big Match. 11.15 The Monte Carlo Show. 12.15 am The Electric Theatre Show. 12.45 Close Personal Choice. Sir Frederick Catherwood. All IBA Regions as London except at the following times:-

## ATV

9.40 am Co-Operative. 9.55 Numbers at Work. 10.00 The Flying Kiwi. 10.30 The ATV Saturday Morning Picture Show. 11.00 Saturday Morning Picture Show. 11.15 News. 11.20 The ITV Six from Newmarket and Kempton. 3.10 International Sports Special (Part 2) Boxing. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service. 5.05 Metal Mickey. 5.35 News. 5.40 Chips. 5.50 Family Fortunes. 7.05 Only When I Laugh. 7.25 The Cannon And Ball Show. 8.05 "Betrayed", starring Clark Gable, Victor Mature and Lana Turner. 10.00 Thursday. 10.15 The Big Match. 11.15 The Monte Carlo Show. 12.15 am The Electric Theatre Show. 12.45 Close Personal Choice. Sir Frederick Catherwood. All IBA Regions as London except at the following times:-

## GRANADA

9.15 am Canada. 9.40 Numbers at Work. 10.00 Survival. 10.30 The Saturday Morning Picture Show. 11.00 Saturday Morning Picture Show. 11.15 News. 11.20 The ITV Six from Newmarket and Kempton. 3.10 International Sports Special (Part 2) Boxing. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service. 5.05 Metal Mickey. 5.35 News. 5.40 Chips. 5.50 Family Fortunes. 7.05 Only When I Laugh. 7.25 The Cannon And Ball Show. 8.05 "Betrayed", starring Clark Gable, Victor Mature and Lana Turner. 10.00 Thursday. 10.15 The Big Match. 11.15 The Monte Carlo Show. 12.15 am The Electric Theatre Show. 12.45 Close Personal Choice. Sir Frederick Catherwood. All IBA Regions as London except at the following times:-

## SCOTTISH

9.10 am Co-Operative. 9.35 Numbers at Work. 10.00 Survival. 10.30 The Saturday Morning Picture Show. 11.00 Saturday Morning Picture Show. 11.15 News. 11.20 The ITV Six from Newmarket and Kempton. 3.10 International Sports Special (Part 2) Boxing. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service. 5.05 Metal Mickey. 5.35 News. 5.40 Chips. 5.50 Family Fortunes. 7.05 Only When I Laugh. 7.25 The Cannon And Ball Show. 8.05 "Betrayed", starring Clark Gable, Victor Mature and Lana Turner. 10.00 Thursday. 10.15 The Big Match. 11.15 The Monte Carlo Show. 12.15 am The Electric Theatre Show. 12.45 Close Personal Choice. Sir Frederick Catherwood. All IBA Regions as London except at the following times:-

## TYNE TEES

9.00 Chopper Squad. 9.40 Numbers at Work. 10.00 Survival. 10.30 The Saturday Morning Picture Show. 11.00 Saturday Morning Picture Show. 11.15 News. 11.20 The ITV Six from Newmarket and Kempton. 3.10 International Sports Special (Part 2) Boxing. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service. 5.05 Metal Mickey. 5.35 News. 5.40 Chips. 5.50 Family Fortunes. 7.05 Only When I Laugh. 7.25 The Cannon And Ball Show. 8.05 "Betrayed", starring Clark Gable, Victor Mature and Lana Turner. 10.00 Thursday. 10.15 The Big Match. 11.15 The Monte Carlo Show. 12.15 am The Electric Theatre Show. 12.45 Close Personal Choice. Sir Frederick Catherwood. All IBA Regions as London except at the following times:-

## ULSTER

9.10 am Co-Operative. 9.35 Numbers at Work. 10.00 Survival. 10.30 The Saturday Morning Picture Show. 11.00 Saturday Morning Picture Show. 11.15 News. 11.20 The ITV Six from Newmarket and Kempton. 3.10 International Sports Special (Part 2) Boxing. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service. 5.05 Metal Mickey. 5.35 News. 5.40 Chips. 5.50 Family Fortunes. 7.05 Only When I Laugh. 7.25 The Cannon And Ball Show. 8.05 "Betrayed", starring Clark Gable, Victor Mature and Lana Turner. 10.00 Thursday. 10.15 The Big Match. 11.15 The Monte Carlo Show. 12.15 am The Electric Theatre Show. 12.45 Close Personal Choice. Sir Frederick Catherwood. All IBA Regions as London except at the following times:-

## WESTWARD

9.10 am Co-Operative. 9.35 Numbers at Work. 10.00 Survival. 10.30 The Saturday Morning Picture Show. 11.00 Saturday Morning Picture Show. 11.15 News. 11.20 The ITV Six from Newmarket and Kempton. 3.10 International Sports Special (Part 2) Boxing. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service. 5.05 Metal Mickey. 5.35 News. 5.40 Chips. 5.50 Family Fortunes. 7.05 Only When I Laugh. 7.25 The Cannon And Ball Show. 8.05 "Betrayed", starring Clark Gable, Victor Mature and Lana Turner. 10.00 Thursday. 10.15 The Big Match. 11.15 The Monte Carlo Show. 12.15 am The Electric Theatre Show. 12.45 Close Personal Choice. Sir Frederick Catherwood. All IBA Regions as London except at the following times:-

## YORKSHIRE

9.10 am Co-Operative. 9.35 Numbers at Work. 10.00 Survival. 10.30 The Saturday Morning Picture Show. 11.00 Saturday Morning Picture Show. 11.15 News. 11.20 The ITV Six from Newmarket and Kempton. 3.10 International Sports Special (Part 2) Boxing. 3.50 Half-time Soccer Round-up. 4.00 Wrestling. 4.50 Results Service. 5.05 Metal Mickey. 5.35 News. 5.40 Chips. 5.50 Family Fortunes. 7.05 Only When I Laugh. 7.25 The Cannon And Ball Show. 8.05 "Betrayed", starring Clark Gable, Victor Mature and Lana Turner. 10.00 Thursday. 10.15 The Big Match. 11.15 The Monte Carlo Show. 12.15 am The Electric Theatre Show. 12.45 Close Personal Choice. Sir Frederick Catherwood. All IBA Regions as London except at the following times:-

## ENTERTAINMENT GUIDE

## OPERA &amp; BALLET

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Saturday May 2 1981

## A troubling climate

THE SPRING is making its delayed and almost reluctant appearance with a strange mixture of hope and foreboding in the air—a conjuncture summed up in the United States when President Reagan reappeared from his sickbed. Amid rapturous applause, he announced an economic emergency. He may well achieve politically "impossible" cuts in public spending on the present tide of national hero-worship, but they will at best work only slowly. Meanwhile, the U.S. is going through the pattern so familiar to us, in which interest rates, the exchange rate and the number of bankruptcies rise together.

## Posturing

Economic crises do not make good television, and so perhaps we are too inclined to forget that, in an open world economy, economic troubles in the U.S. or Europe have a much more certain implication for our future than do the more dramatic threats from those traditional homes of disaster, Ulster and the Middle East. These running sores on the body politic grow infamously frequently, but erupt much more rarely. Much the same can be said of the outbursts of protectionist talk which have recurred regularly since the first OPEC crisis eight years ago. There is much more posturing than action.

However, recession and high interest rates abroad are a fact, not a threat, and a fact which seems likely to be with us for some long time ahead. It is worth asking whether we can realistically hope to make a clean recovery from our own disease at a time when it begins to look like a world epidemic. Up to now the effects have been mainly financial, and by no means unwelcome. The decline in sterling which has followed the rise in international interest rates goes a long way to explain the far less gloomy tone of industrial opinion at home, especially as regards exports. A modest wage round, apparent in the latest figures, and the growing evidence that managements have achieved some important improvements in productivity during the last agonising year, promise better competitiveness for the year to come. It is this feature, rather than the possibly misleading financial numbers, which provide really solid encouragement in the latest reports from Rolls Royce and ICI. A decline of sterling against the dollar even helps Government revenues, since it raises oil prices and oil revenues in sterling terms.

## Efficiency

However, while a gain in efficiency is a largely uncomplicated gain, a fall in sterling is obviously double-edged; and recent figures for wholesale

prices, supported by the cost evidence in the CBI survey, shows this up clearly. Costs are rising again, as must indeed be expected. Unless the gains in labour productivity are dramatic, this has implications for the future inflation rate.

This thought, coupled with fears about the effects of the Civil Service dispute on the money supply, goes far to explain why the gilt-edged market has been such a sullen spectacle during the recent equity celebrations. However, foreign borrowers have made their own small contribution. The scale of recent bulldog issues, up to £100m at a time, is very modest by gilt-edged standards, but it is a further small depressing influence on bond prices and sterling, which could grow much bigger if and when sterling interest rates fall again.

In short, the world climate distinctly limits our freedom to reap the rewards of any virtue we may have sown under the present regime. If the Americans continue to suffer from the British disease, we may soon find ourselves bemoaning what has so far appeared a German complaint—the depressing effect of high interest rates imposed from abroad. The traditional wisdom of Throgmorton Street, that a sound recovery must always be led from the fixed-interest end, may not be dead, but in temporary eclipse.

## Welfare

President Reagan's programme of harsh cuts could relieve part of the strain. Cutting welfare to check inflation may seem to moralists like controlling the price of milk by watering it down, but the President, like Mrs. Thatcher, is responding to the political equivalent of market pressures. People will get only the welfare they are prepared to pay for—sooner or later.

It is at this stage that the argument comes full circle; for the initial result of cutting programme expenditure, to judge by our own experience, is simply to drive up welfare expenditure. The £2bn or so of public expenditure now going on benefit to those who have become unemployed in the last year is the cruellest waste of public money.

The Government relies on the natural recovery proclaimed by Mr. Leon Brittan to generate new revenues and ultimately to eliminate this waste—a recovery led from the real end, or in market terms a recovery in which equities lead gifts. The market is voting for Mr. Brittan and Mrs. Thatcher; the CBI remains a grumbling floating voter. Whether virtue can triumph as the Government hopes in an unhelpful economic climate is the great question which will be answered in the coming months.

RALPH BARUCH likes metaphors. The bigger, the more extravagant, the more explosive the metaphor, the better he likes it. So, if you listen to Baruch's view of the industry he works in, you will find it compared to the railway tracks laid across America in the 19th century or to the discovery of oil and the products which can be derived from it.

What is he talking about? Television, especially about cable television and the associated spray of visual communications technology which is today showering itself across the United States. Ralph Baruch is talking about this because he believes the small company of which he is chairman, Viacom, is sitting at the centre of this shower of sparks. Viacom is the eighth largest cable TV operator in the U.S.

Cable television is a system whereby an especially about cable television and the associated spray of visual communications technology which is today showering itself across the United States. Ralph Baruch is talking about this because he believes the small company of which he is chairman, Viacom, is sitting at the centre of this shower of sparks. Viacom is the eighth largest cable TV operator in the U.S.

Two separate pieces of history are needed in order to understand what Ralph Baruch and Viacom are talking about.

The first is the history of cable TV. This began in the U.S. in 1948 as a system for improving TV picture quality in remote or obstructed areas. By 1965 1m homes had been wired for cable and no-one talked about the industry. But in the 1970s, Government regulations restricting the activities of cable companies (such as their freedom to pipe in signals via satellite from across the country) were lifted and a company called Home Box Office (owned by Time Inc.) discovered that Americans would pay for televised motion pictures uninterrupted by commercials.

Soon, the combined push of newly-marketed pay TV services, improved technology and relaxed regulation had levelled all barriers to expansion. Today 17m American homes have cable TV, which represents 23 per cent of all the TV homes in the country. And new systems are going in as fast as city politicians can agree among themselves from which the cable companies they can extract the best terms.

By 1990, half of all American

Nearly a quarter of TV homes in the U.S. have cable television, and by the end of the decade that figure could rise to a half. In the belief that cable TV, with its ability to offer programmes to specialised audiences, is the super-TV of the future, major U.S. companies are taking stakes

in states of California, New York, Ohio, Oregon, Tennessee and Washington. Since then, relaxed regulations have allowed Viacom to enter the local TV broadcasting business, to buy some radio stations and to set up Showtime, the major rival to Home Box Office, which it shares a similar format and over 80 per cent of the entire pay TV market.

Cable TV offers the opportunity to "narrowcast," in the industry's jargon, to specialised audiences through the TV set. A modern cable system can accommodate over 100 channels, with programmes ranging from education for school to round-the-clock news and sports services which various cable "superstations" provide for the local cable operators.

The cable operator gets his income chiefly from the monthly charge each household pays for cable connection (\$24.95 a month in Viacom's new Nashville service for the maximum number of channels). Advertisers are also starting to explore the attractions of narrowcasting their messages to targeted audiences. There seems little doubt that there will be huge growth in this sphere. Today prime cable times sell for about one hundredth the cost of the same time on a net-

worked. So the newcomers are buying into the infrastructure of the industry. But many, like Viacom, are also busy creating "software" for the industry: TV programmes, even made for cable motion pictures, sports broadcasts, concerts, talks shows and all the other recognisable products of mass audience TV, as well as some more specialised wares for smaller audiences.

For the established operators, returns from cable TV have also been handsome in recent years. Returns on sales for the top 10 last year ranged from about 7 per cent to 23 per cent. But real returns depend upon what you pay for the assets in the first place.

That is a good starting point for talking about the risks of cable. Currently, in their fury to win franchises to wire new areas or take over cable companies which already have franchises, companies are paying up to \$1,000 a subscriber, according to Baruch. At \$27 a month subscription, that takes some recouping. From the financial point of view, cable really has to be split into two businesses: basic cable and pay TV.

Basic cable is merely the wiring system which carries im-

## TELEVISION

## The CABLE revolution

in the industry, writes Ian Hargreaves in New York. By contrast, in the UK and Europe, writes Guy de Jonquieres (below), there are more restrictions on cable TV and satellites are exciting greater commercial interest.

through the courts, which ruled against the Hollywood companies on the grounds that refusal to sell films to other pay TV companies violated anti-trust laws.

Competition of another sort could pose a risk if the Reagan Administration accelerates the pace of communications deregulation in the U.S. The networks, for example, are itching to get back into cable and, even more significantly, there has been talk that American Telephone and Telegraph, the U.S. telecommunications giant, might one day have permission to run wires capable of taking visual messages into homes.

Baruch accepts, however, that it will be a challenge for the industry to raise the huge sums of money necessary to put in new cable systems and to upgrade existing systems from the original 12-channel system (which still accounts for 50 per cent of Viacom's systems) to 36 or 54 a channel.

That is the reason that many smaller cable companies, several of them private and therefore not under pressure from shareholders, have welcomed alliances with larger organisations. It also explains why Viacom has gone to great lengths to produce a balance sheet of model conservatism (0.3:1 debt to equity). Once its equity-raising powers decline, Viacom is going to need to borrow heavily.

But to the European mind, another doubt exists: why would anyone want 54 channels or even 15 channels of television, given the protein-less fare which the existing channels force-feed on Americans daily?

The answer to that, says Baruch, is that the American mind and the European mind are different. New York City, he points out, had 15 radio stations in the 1940s. Today it has more than 120.

He accepts that state-TV contaminated countries such as Britain and France are not going to go for cable on the American model. But he argues that the citizens of Toulouse and Strasbourg will want to turn their TV sets into something more than their current three or four channel boxes, adding discs, recorders, home computer lines, burglar alarms that Viacom will be over there selling its software.

"It is a communications explosion. Of course the world will follow," he snorts.

## The European scramble for satellite broadcasting

IN WESTERN EUROPE, it is estimated that more than 15m television sets are wired to cable and that as many again are installed in areas served by cable networks. About 2.5m sets are wired up in Britain and there is a particularly heavy concentration in the Benelux countries, where more than 5m households receive cable TV.

Many European cable systems are operated by private companies, such as Rediffusion in the UK, but the range of programmes which they may offer is severely restricted by Government regulation. Most are authorised to carry only normal broadcasts transmitted by state television authorities and licensed independent stations.

In some cases, the choice is widened by piping in programmes from neighbouring countries. In multi-lingual Belgium, for instance, cable sub-

scribers can receive programmes from France, West Germany and the Netherlands, as well as the four national channels.

Tight official control has frustrated the growth of pay TV in Europe. Most Governments are fiercely protective of their national broadcasting networks and are unwilling to open the door to private competition, arguing that broadcasting quality would suffer.

The Home Office has, none the less, authorised a small-scale experiment in subscription cable television in Britain, due to start later this year. Five companies have been given the right to offer pay-as-you-watch programmes in 11 areas, with a potential audience of 80,000. The BBC will also be entitled by the terms of its new charter to offer subscription services. The scope of the two-year experiment is strictly limited.

The five companies will not be permitted to run new films, take advertising or bid for major sporting events—all of which would be regarded by American cable operators as prerequisites for a really profitable operation.

Because of these constraints, satellites are exciting much more commercial interest than cable as a means of distributing new television programmes in Europe. A single satellite can beam broadcasts from a ground station across a large area, almost as broad as continental Europe.

To receive such broadcasts, a viewer would need only to erect a small dish aerial on his rooftop, ensuring that it had an unobstructed path to the satellite. Suitable aerials are already on sale in the U.S. for as little as \$100, and prices are expected to drop sharply. Broadcasts can also be beamed to a single

earth station and relayed to subscribers via cable.

A scramble is developing to get into the business. In Britain, a satellite television consortium has recently been formed by a group of companies and merchant banks. It does not plan to launch its own satellite but to lease capacity, probably from Eutelsat, the satellite organisation of Europe's telecommunications authorities.

Compagnie Luxembourgeoise de Télédiffusion, Europe's biggest commercial broadcasting service, plans to launch a satellite and start broadcasts in 1985 over an area stretching from central France to northern Denmark. The project, expected to cost more than £100m, has attracted support from business interests in France, Belgium and West Germany. Governments are getting in

on the act as well. France and Germany are collaborating on a scheme to launch a satellite in 1984 which will carry two existing national television channels from each country and broadcast high quality radio programmes.

The BBC disclosed this week that it is talking with British Aerospace about launching a satellite which could broadcast both normal programmes and subscriber television. British Aerospace is already the lead contractor in the European Space Agency's L-Sat programme. L-Sat will start broadcasting in the mid-1980s, and will cover a wide area.

Such developments could have a revolutionary impact on the European television industry during the 1980s. But satellite broadcasting must still confront some important hurdles. Launching a satellite

is expensive, costing a minimum of £10m a time, and two are needed to ensure reliable service. Economic returns are by no means guaranteed.

Political controversy seems likely, too. A forerunner has been provided by a recent row in West Germany over plans by German publishers to broadcast commercial programmes via the Luxembourg satellite.

Chancellor Helmut Schmidt has objected to the scheme on the grounds that it may lower broadcasting quality, and may seek to withhold permission to use the necessary broadcasting frequencies. That could complicate matters, but many in the industry believe that the forces behind satellite broadcasting are so powerful that even a figure of Herr Schmidt's political authority can do no more than delay its advent for a brief period.

## Letters to the Editor

## Civil service pay

From Mr. R. Coudrey

Sir—I must protest about the completely misleading claim (April 30) from the Secretary-General, Council of Civil Service Unions that their pay is 38 per cent behind national levels.

The two medians he quotes are not comparable figures—the Civil Service one is a basic pay figure, while the national one is average earnings. No wonder there is a difference. In addition the medians represent a wide range of employment with different jobs and responsibilities. As he well knows, the only valid comparison is between people of same responsibility level doing the same job and taking into account all aspects of their employment conditions.

I am surprised that Mr. Kendall should dare to support his unions' strike with such flimsy and easily destroyed evidence. By doing this he undermines his whole case and in fact is admitting that there is no genuine evidence to justify the Civil Service's determination to thwart private sector efforts to lift the country out of the recession.

R. F. Coudrey

Reward Regional Surveys, Mill Street, Stone, Staffs.

## Textiles

From the Director, British Clothing Industry Association.

Sir—We are most concerned at the figures used by Diana Smith in her article (April 27) on Portuguese textile exports to the UK, which give a completely false picture of the situation.

Portuguese textile sales to the UK in the period January-October 1980 were valued at \$58m. The corresponding figure for clothing is \$56m. This gives a total of £125m, not £15m as stated in her article.

While these figures may not compare with imports from the Far East as a whole, as far as clothing is concerned, Portugal is now the UK's second largest supplier in terms of the number of garments shipped. This is why the textile and clothing industries view Portugal's impending accession to the EEC with alarm and why there must be a transitional period during which effective restraints can be applied.

G. W. French, British Clothing Industry Association, 14/16 Cockspur Street, SW1.

## Auditors

From Mr. A. Nelson

Sir—I am sure that the views of Mr. R. Wensley (April 28) are well intended, but they ignore the realities. Members of the Association of Certified Accountants see no more reason why they should absorb the Section 161(1)(b) members than do the English or Scottish Chartered Institutes. Nor indeed do any such reasons exist.

The unification plan for the accountancy profession which was so painstakingly negotiated in the 1960s founded in 1970 because of the somewhat parochial views of a large number of members of the English institute. Until that institute is prepared to accept with good grace the implications and consequences of the full unification of the profession, which involves the acceptance as equals of accountants trained other than in the office of a practising accountant, there is really no possibility of the Association of Certified Accountants, or indeed any other of the institutions concerned making the sort of sacrifice for this is how members see it that the kind of step Mr. Wensley envisages involves. This, you will say, is no less

parochial than the attitude of English institute members referred to above, and you would be right. Such, however, is human nature.

Having said this, let me say that I have little doubt that the association would be prepared to consider taking the AAPA under its wing if a suitable formula could be devised, but Mr. Wensley, and those who think as he does must never fail to take account of the susceptibilities of association members.

A. W. Nelson (past president Association of Certified Accountants), Hedgerow, Orchard Road, Pratts Bottom, Kent.

## Training

From the Managing Director B and H Reprographic Services

Sir—It was heartening to see the excellent letter (April 25) from the managing director of Sinclair Electronics concerning the training boards. As a company affected by the printing and publishing industry training board can I entirely endorse his points, but can I also add that not only are their recommended methods of training often reactionary and out of touch with modern needs, but also due to their financial levies and wasted management time, they lead directly to reduced employment.

Has not the time arrived for hard-pressed industry to form a pressure group to try to fulfil one of Mrs. Thatcher's broken promises?

C. J. Reddall, 8 Bond Street, Brighton.

## Credit

From the Managing Director, Sales Ledger Control Services

Sir—The item by Peter Riddell (April 22) headed "Industry's financial position improves," shows a remarkably blinkered interpretation of the lowered borrowing need for industry generally.

Assuming Mr. Riddell's figures to be correct, does he not allow some contribution to the reduced borrowing requirement resulting from a reduction in the average amount outstanding in the commercial companies' sales ledgers?

Apart from any steps taken by a given company to deliberately reduce the average age of debt on its sales ledger, the very fact of reduced sales means less money outstanding, and therefore a reduced borrowing requirement to fund credit sales. Improvements in the sales ledger position can be obtained far more rapidly, and usually with far less upheaval, than can reductions in stock levels.

Whereas, two to three years ago, it was not unusual to come across a commercial company trading on monthly terms with an average of 70 days sales outstanding, now it is considered unacceptable to most financial directors to have more than 60 days outstanding, and did they not know it, they could realistically look for a target of 55 days on monthly terms.

Over a period, firm credit control improves the supplier/customer relationship as well as improving the suppliers' cash position, and this can be achieved by applying the same criteria regarding professionalisation to a company's credit control procedures as are applied to its sales operation.

Andrew M. Allier, 454, London Road, Ditton, Maidstone, Kent.

## Widows

From Mr. R. Russell

Sir—Though Mr. Ruschen's ideas (April 29) for the provision for a widow may on first view seem most compassionate and almost sensible; his scheme

of retention of maximum capital by the widow for investment to yield the highest possible income would be unsuitable in the majority of cases.

The effect of inflation on the cost involved in maintaining a house, rates, repairs, etc would mean that they would be increasing while a "secure" investment would be likely to produce a fixed income which would be actually declining in real terms. So after a time the point where expenditure exceeds income is reached and that point is, in Mr. Ruschen's plan, inevitable; being dependent on—The amount of capital available to the widow which would have to be large enough to still provide a suitable income up to the date of her death.

An equation could be produced for the given variables of—original capital, present expenditure, expected inflation rate, rate of interest received and most importantly the number of years to the widow's death. But as the last is the great unknown the perfect answer cannot be produced.

Actually widows are generally much maligned and we probably don't give them credit for some financial ability of their own. After all they have probably run a house and family with reasonable success, which would tend to give a sensible "feet on the ground" ability for money management.

There is another point to ponder regarding the aims for his capital that the late husband may have had. If he decided to put his estate in trust for, say, his children there would be less choice for the widow. Also if a trust was formed that had the effect of disinheriting the widow, if she should remarry, that would make quite a mess of a long term plan for investment income.

So we must have a much more flexible approach to the question, not just trotting out one answer to try to cover all

circumstances like someone trying to decide on the length of the proverbial piece of string.

R. K. Russell, Lindisfarne, Sandfield Park, Liverpool.

## Retirement

From Mr. E. Little

Sir—Mr. Ruschen (April 29) illustrates how the use of familiar words—"capital" and "income"—can frustrate an otherwise reasonable case and lead to false advice.

Of course the first aim in planning the finances of retirement is to cover the expected expenditure of husband and wife over their joint lives and the life of the survivor. The savings available to the couple at the present time are known. The probable number of years of expenditure which they are to cover can be found from life expectancy tables. Dividing the former by the latter gives an annual rate of expenditure which can be applied to supplement pensions. Provided that the resources are to hand it is quite immaterial whether that expenditure is financed by "income" or by "capital."

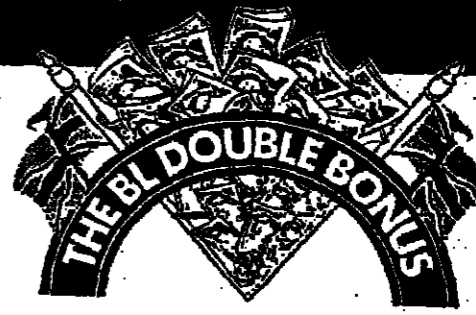
The nature of life expectancy tables leads to the requirement that the calculation should be repeated annually and made the basis of an annual budget.

If the savings are invested in equities experience shows that capital appreciation plus dividends less income tax and capital gains tax approximate to the rate of inflation, so that the savings fund is essentially protected from the growing cost of living.

A skilful investor can achieve a better overall return by seeking capital gains than by seeking the highest possible income; he must not be inhibited by the argument that expenditure is in excess of income.

E. W. R. Little, 12 Fitzroy Road, Fleet, Aldershot, Hants.

BUY A BL CAR DOUBLE QUICK. THE BL DOUBLE BONUS ENDS ON MAY 29TH.



Richard Lambert looks at the St. Piran affair

# Untangling the strands of a Far Eastern knot

LONG-DISTANCE running is one of Mr. Jim Raper's absorbing passions. He completed the recent London marathon in 2 hours 58 minutes, and less than a month later was slogging through the streets of Boston in the seventh marathon event of his career. When in training, he aims to gallop through 70 miles a week.

There are those in the City of London and the Department of Trade who must wish that this slightly built 53-year-old would just keep on running. His relationship with St. Piran, an obscure public company with interests in the UK and the Far East, has become a cause célèbre in the financial community.

Critics of the City's system of self regulation have gleefully latched on to the affair. According to Mr. Stanley Winton Davies, Opposition spokesman on trade, it has "blatantly revealed" that the powers of the Takeover Panel are "pathetically inadequate."

The controversy has also led to some unusually outspoken criticism by the Stock Exchange of the Trade Secretary, Mr. John Biffen. Mr. Nicholas Goodison, the Stock Exchange chairman, said this week that the Department of Trade had been "unnecessarily weak" in its handling of the affair.

Given the size of St. Piran, this may look like a large storm in a tea cup, but there are a number of important issues at stake, most of which revolve around the enigmatic personality of Mr. Raper.

One relates to the standards of behaviour which can reasonably be expected from the management of a listed company. Another concerns the power of the Takeover Panel, the City body which regulates

takeovers by means of a voluntary code of practice—to impose its will on someone who will not accept its findings. A third is to do with the relationship between the City's self regulatory bodies and the statutory authorities at the Department of Trade.

Mr. Raper's connection with St. Piran started in 1972, when a Hong Kong company, a new which he was closely connected began to build up a shareholding which eventually rose to 34 per cent of the capital. He was appointed chairman in 1973, and within 12 months all the company's original directors had resigned.

According to a recent report by two Department of Trade inspectors, St. Piran became in effect a satellite of the Far Eastern interests with which Mr. Raper was associated.

Mr. Raper's influence over the company continued after 1976, when he resigned from the board for "personal reasons."

Two years later, the company's Far Eastern investments were transferred to a new wholly-owned subsidiary, St. Piran (Hong Kong). And the following year, the St. Piran board approved a management agreement between its Hong Kong subsidiary and Gasco, another of Mr. Raper's interests, under which Gasco has been paid an annual retainer of around £180,000.

The Department of Trade inspectors concluded that in the five years to March 1980, the funds generated from St. Piran's UK investments had been channelled into investments in the Far East. Although the funds committed were substantial, there had been little or no return from these activities.

"In essence," they said, "the management agreement pro-

vides Gasco with the means to control St. Piran's Far East assets and activities at a substantial fee."

The affairs of these Far Eastern companies are tangled in the extreme. They led to extensive qualifications of St. Piran's annual report in 1979, when auditors Ernst and Whinney felt unable to express an opinion as to whether the accounts gave a true and fair view. The qualification a year later was less serious, but the auditors still expressed uncertainty relating to the company's involvement in Thailand.

Meanwhile Mr. Raper had already had his first run in with Rule 34 of the London Takeover Code. In essence, this says that if any individual or number of individuals acting as a group buys more than 30 per cent of a company, they must make an outright offer for all the shares at the highest price paid for their initial shareholding. The idea is that if somebody wants to buy effective control of a company, he should make a similar offer to all shareholders.

This rule has probably caused the Panel more headaches than the rest of the code put together, and it is certainly one that Mr. Raper must know well by now.

In 1974, when 34 per cent of St. Piran came into his hands as the result of a reshuffling in the Far East, he was required to sell enough shares to take the holding below 30 per cent. In 1978, the Panel decided that St. Piran's transactions in the shares of housebuilder Orme Developments had breached the same rule. And in 1979, the Panel started the investigation under the same ruling which lies at the root of the present fuss.

Between 1978 and 1979, there had been much public comment about who was in effective control of St. Piran, and a group of dissident shareholders had tried unsuccessfully to unseat the board. In one of its longest statements on record, the Panel ruled in April 1980 that the 34 per cent shareholding held by Mr. Raper in 1974 remained substantially under his control through a complex web of companies. Moreover a group of companies based in Hong Kong, Luxembourg and Panama—all of which, the Panel said, were under Mr. Raper's control—had in 1979 increased their combined shareholding to over 30 per cent.

They had therefore incurred a liability under Rule 34 to make a bid at the highest price paid, which was 85p per share. The true beneficial owners of some of the nominee companies involved, however, firmly established, and Mr. Raper strongly denied the charges. No bid was forthcoming; the Panel made some very nasty comments; and the Stock Exchange suspended the shares.

There the matter rested for some time. In the background, the City establishment was looking for a way out of the quagmire—of which the most satisfactory would have been an outright bid for the whole company from some respectable third party. Apparently this idea got some way down the road, but would-be buyers balked at the uncertainties in the Far East.

Then Gasco came out of the blue last month with an offer of 50p cash per share. This week, the terms were lifted to 60p—still well short of the 85p required by the Takeover Code, but a bit more pragmatic about the 85p.

However criticism now is focusing not so much on the self regulatory bodies—which seem to have done just about all they could in the circumstances—but on the Department of Trade.



SAINT-PIRAN: monk from Ireland or Wales who settled in North Cornwall and became the patron of Cornish dinners. He died around AD480, and his feast day is March 5.

Also a small public company listed in London and Kuala Lumpur. It was incorporated in 1970 to acquire the issued capital of Siamese Tin Syndicate, which was engaged in tin dredging in Thailand and Malaysia, and also controlled South Crofty, the Cornish company.

Today, St. Piran has two main UK subsidiaries: South Crofty and Milbury, a housing development business, both of which remain separate entities on the Stock Exchange. Its Far Eastern interests are held through a Hong Kong company, which owns the Malaysian tin dredging operation and has a large shareholding in a company involved in tin dredging and property development in Thailand.

Profits were £2.8m before tax in 1979-80, and are likely to have fallen sharply in the year which has just ended.

of the shares and declared its offer unconditional.

Could there have been any better outcome? The Panel might have saved itself some embarrassment if it had been a bit more pragmatic about the 85p.

However criticism now is focusing not so much on the self regulatory bodies—which seem to have done just about all they could in the circumstances—but on the Department of Trade.



MR. JIM RAPER: Chairman of St. Piran between 1973 and 1976, and the man behind the present bid for the company.

"I can only use one word to describe the behaviour of the Takeover Panel: disgraceful. They have been extremely unfair. . . . It is like a Star Chamber. . . . The rules of evidence are not applied, and you speak when you are asked to speak."

"I regard the report (from the Department of Trade inspectors) as a complete vindication of the charges made against me. . . . The facts are that not a penny anywhere has gone into any pocket incorrectly. I don't think the criticisms made of me by the DoT are serious."

"There are convicted criminals under the Companies Act which the City is happy to welcome into its arms. Here is me, who has led a blameless life, and has been branded by the Takeover Panel."

"I just want a peaceful life, really. We are in the City, and would like to make our peace with it."

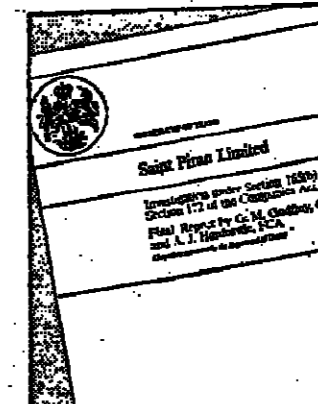


TAKEOVER PANEL: (June, 1980)

"It has always been a principle of the Code that those guilty of flagrant breaches should cease to enjoy the facilities of the securities markets. The Panel has invited the Stock Exchange to consider what action it may now be appropriate for the Stock Exchange to take in this respect. The Panel has concluded that Mr. Raper, whose conduct in this matter has been deplorable, is unfit to be a director of a public company. It will so advise the authorities concerned."

The Stock Exchange, June 1980: "The Council has issued instructions to Members prohibiting them until further notice from transacting any further business directly or indirectly for Mr. Raper or for anyone acting on his behalf unless prior consent of the Council has been obtained."

Mr. Nicholas Goodison, Stock Exchange chairman: "Those who have been so quick to say that the case of St. Piran shows a weakness in the self-regulatory system have missed the point."



DEPARTMENT OF TRADE INSPECTORS: "Raper is a man of infinite resource and sagacity, like Kipling's Mariner."

"The important point which emerges from all this is the manner in which Raper used St. Piran as an instrument to further his own interests."

"This series of transactions clearly demonstrates, in our view, Raper's cavalier attitude towards companies over which he held effective (though minority) control. Raper considers this conclusion to be wholly unjustified."

St. Piran's circular to its shareholders contained "serious inaccuracies."

"We consider that the present situation of St. Piran is not satisfactory for the majority of its shareholders. The board is controlled by Gasco and Raper. The present directors are likely to be faced with conflicts of interest which, on the evidence of the past, they are unlikely to resolve for the benefit of St. Piran."

There may still be some slim chance of a compromise. For one thing, Mr. Raper may one day need friends in the City if he is to succeed in expanding St. Piran in the UK. The best advice for shareholders now that Gasco has outright control is to hold on to the last possible moment—and then accept the bid. As with every-one else involved in this affair, their comfort must be that stories like that of St. Piran are few and far between.

## Weekend Brief

### The real Churchill 'bottle story'

"Bottlescape," the most famous and popular painting by Sir Winston Churchill, was the result of a Christmas present. I was told yesterday, by Churchill's nephew Peregrine. During a large family party on Christmas Eve 1926 at Chartwell, Lord Birkenhead presented his host with a huge bottle of brandy. Winston wanted to paint it but thought it needed other bottles of various shapes and sizes to set it off properly. Everyone, including the children, was sent off to find bottles from anywhere, dozens were brought in and one table lamp was set in the middle of the chosen few.

Winston was sitting at the end of the table rearranging them all when the carol singers arrived, the Western choir, and began to sing outside the window. Characteristically, he hung open the doors and invited the vicar in for a drink. The whole table was covered in bottles giving the impression that 50 people had been drinking wildly for a week. Realizing what a bad impression this would make on the vicar, Winston pushed him out of the door with £2 for his collection.

This story was told by the only surviving person at the party old enough to remember the amusing situation. Winston painted the "Bottlescape" several times; at the third attempt, the level of brandy had gone down considerably.

Parents whose children are unemployed might consider a trip to Chartwell to see the wall Churchill built when he was unemployed for the first time for over 20 years. He had no seat in Parliament, no-one appreciated or wanted his talents. Therefore, untrained and unskilled, he set about building a wall. When it was finished, he applied to the "rickshaws" Union for membership.

Churchill painted 600 pictures of when he died he left hundreds of them in the cellar of studio at Chartwell. Many of them were only half finished. By Clementine Churchill left in her will to her children and grandchildren. The executor of the will have been arguing about tax for about 30 years. In the meantime, the paintings were held in trust by a Treasury. Now the Treasury has agreed to release them, relays. There are more than 600 of them and one-fifth will go on show to the public at Chartwell. Sixty-nine have been the studio for some time; one Easter there have been further 40 which will change every year as the Treasury rotates them.

The first, painted in 1915 with Gwendoline, the wife of Winston's brother Jack, in the foreground, is called "The Farm." It was Winston's home in his some years before he bought Chartwell. His sister-in-law came to paint in the studio. One day Winston wheeled her for a time then picked up one of the



Winston painting his first picture, 1915: a hitherto unpublished photograph

brushes and used it. Fascinated, he decided to paint the scene himself. He was photographed putting the final touches to the picture with his wife, wearing a typical sun bonnet of the period, looking on. This photograph is reproduced here for the first time, by kind permission of one of the trustees.

The time was just after the Dardanelles, when Winston was very depressed, so he found painting was therapeutic. Sir John Lavery, a well-known painter, told Winston: "You need turpentine with the paint." Until then he put his paint on "with a trowel," according to his relatives. By contrast, one of his Mediterranean coast scenes done in 1920 is evidence of his progress after using turpentine for 35 years.

### A Papal intervention that failed

The mission—without success as it proved—of Mgr. John Magee, the special envoy of Pope Paul II, to try to persuade Bobby Sands to abandon his hunger strike, is a typical example of the methods of the Polish-born Pontiff, and of the speed with which the Vatican can act on occasion.

The possibility of a papal initiative had been in the air for some days, but word of the trip of Mgr. Magee came only when he had reached London. In Rome the only people to know about it beforehand were in the Pontiff's immediate circle, and at the British Legation to the Holy See, where the purely humanitarian nature of the mission was stressed.

Once the Pope had decided to intervene, the choice of Mgr. Magee was inevitable. He is one of the two private secretaries of the Pontiff (the other is a Polish priest, Father Stanislaw Dziwisz). Mgr. Magee had held the post under two previous popes, Paul VI and John Paul I. Not only is he an Ulsterman (he comes from Newry), but his position made it possible for the move to be presented as dictated by humanitarian considerations alone. Had a ranking cardinal been despatched, or the Vatican

apparatus been brought into the decision making process, charges of interference might easily have been levelled. As it is the Vatican is upset by the accusations from some quarters in Britain of meddling, and that it has given the impression of being ready to deal with terrorists. "It was just a brave try that went wrong," was how one person at the Vatican described the mission.

In fact Pope John Paul II is not the only recent Pontiff to have resorted to personal diplomacy to try to settle international crises. Pope Paul VI was another. But the successes have been comparatively few. The Middle East and Vietnam are two examples of conflicts where even the impeccably neutral Vatican was unable to change the flow of events.

The risk is obviously that a Pope will tend to place too much reliance on his moral authority—and in the latest case, that he underestimated the intensity of the feelings of someone like Bobby Sands, an IRA militant first and a Catholic second.

This indeed was all too likely, given the extraordinary potency of the Pope's presence in Ireland, as revealed by the enthusiasm aroused during his October 1979 visit to the Irish Republic. But on that occasion he left no doubt of his views about terrorism. These were his words at that unforgettable mass at Drogheda, attended by a quarter of a million people, including thousands of Catholics from nearby Ulster: "On my knees I beg you to leave the paths of violence and return to the way of peace. You say you seek justice. I too believe in justice and am seeking it. But violence only puts back the day of justice. The failure of the Magee mission is yet further tragic proof of how true those words still are."

### Juggernauts in the capital

"London without lorries" would make an attractive election slogan to those now awaiting next week's local elections who are vehemently opposed to the presence of juggernauts in the capital.

The Labour Party group now winding itself up to fight for victory in the election to the Greater London Council has come nearest to voicing the phrase. Labour plans to ban all vehicles over 16 tonnes laden weight in the whole of London stretching to the M25 orbital motorway, far off in the green belt. Subject to an inquiry, of course, and implemented in slow, steady steps "to give the haulage industry time to adjust," according to Mr. Ken Livingstone, the spokesman on transport for the Labour group at the GLC.

This is the plan, but so embryonic are the ideas that the ink will have dried on the pens of the party slogan writers by the time the poll booths open at 8.30 am on Thursday, without so much as a hint of an anti-lorry slogan in sight. Lorry drivers, after all, are also voters and members of the Transport and General Workers Union and freight activities account for 7.5 per cent of all employment in London.

Nevertheless, Labour does not like lorries. Many Londoners also do not like lorries, but others are in two minds about the lorry and London.

The muddle goes back a long time. In the early 1970s, after years of intense and elevated thoughts about strategic plans for London, culminating in the Greater London Development Inquiry and the plans for massive ring-road schemes, Labour proclaimed in its manifesto before the last GLC election that it would drop all road schemes.

That was the easy part. Simply do nothing. But when it came to the practical exercise of what to do with the lorries that could no longer look forward to lavish orbital ring ways, Labour steered itself into a wall of opposition. Local people wrote letters of vehement protest against the alternative Labour plan for lorry routes across "their" neighbourhood.

The lorry routes plan was dropped.

Now, Labour is proposing a soft-sports approach. First would come the inquiry, to be followed by a night-time ban everywhere in the GLC area. Smithfield Market would be exempt because it falls under the wing of the City of London, but quite how the juggernauts of Irish meat could get there without crossing GLC territory is a matter still to be considered.

Mr. Livingstone was upturned that the road haulage industry had only just emerged from the Armistice Inquiry into lorries, people and the environment. Armistice was a "complete waste of time," he said. He believed the report and its recommendations for lorry weights to be raised by 35 per cent to 44 tonnes would lose the Tories hundreds of thousands of votes.

The Tory group at the GLC has been silent on its plan for lorries in London, but almost certainly would prefer to let lorries carry on much as they do now. Over £1bn is spent annually on moving goods by lorry in London and about half of the 250m tonnes moved in total in the capital simply moves from place to place in the London area. The other half goes in and out.

Contributors:

Elizabeth Shearing  
Rupert Cornwell  
Lynton McLain

## Economic Diary

TODAY: Mr. Michael Foot, Opposition leader, addresses Wales Trades Union Congress conference, Porthcawl.

MONDAY: Mr. Alexander Haig, U.S. Secretary of State, meets Nato Foreign Ministers, Rome (to May 5). European Commission on Human Rights discusses Mr. Bobby Sands, Mr. Tony Benn at May Day Festival, Blackheath. European Parliamentary session opens, Strasbourg (to May 8).

TUESDAY: Sir Geoffrey Howe, Chancellor of the Exchequer, launches Business Opportunities programme. Mr. Michael Foot and Mrs. Shirley Williams address meeting on "Fight world poverty," House of Commons.

Commons debate Finance Bill, committee stage. Civil Service Union conference opens, Blackpool (to May 8). Banking, Insurance and Finance union executive meets to discuss pay dispute. Sir Horace Cutler, GLC leader, opens London International Building Products and Services Exhibition, Olympia, (to May 8). UK official reserves for April. Capital issues and redemption meeting on "Fight world poverty," House of Commons.

WEDNESDAY: Advance energy statistics for March. London

clearing banks' monthly statement (mid-April). UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-April). Commons debate remaining stages of Pensions Bill. National Economic Development Council meets, London. Mr. Peter Banton, British Telecom managing director, outlines improvements in the telephone service. Mr. Kenneth Baker, Industry Minister, speaks at Electronic Engineering Association dinner, Savoy Hotel.

THURSDAY: Provisional figures of vehicle production for April. Greater London Council elections. Sir Geoffrey Howe, Chancellor of the Exchequer, addresses National Association of Pension Funds conference, Birmingham. Scottish Conservative conference opens, Perth (to May 9).

FRIDAY: Housing starts and completions for March. House renovations for first quarter. Building society house prices and mortgage statistics for first quarter. Institute of Fiscal Studies conference on the Treasury and Civil Service report on monetary policy, Grosvenor Hotel, SW1.

**IT'S NOT THE WEALTHY WHO BENEFIT MOST FROM TAX RELIEF**

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In sixty centres in this country and the Caribbean, we look after the mentally and physically handicapped. Because we have learnt over the last 110 years, that if you can save the family, you'll save the child.

So now, whenever possible, we try to preserve or create a family environment for the children in our care. Obviously this task is not easy. Nor cheap.

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**NCH**  
The National Children's Home,  
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JPM 20150

## Companies and Markets

## UK COMPANY NEWS

## Hammerson jumps by 48%

PRE-TAX profits of Hammerson Property and Investment Trust, which manages the successful Brent Cross shopping complex in north London, jumped 48 per cent last year to £11.3m.

The property group has raised its payout for 1980 to 8p net—a 50 per cent increase on last year's 5p, after adjusting for last June's one-off scrip.

Group profits before tax, but excluding profits from property trading rose during the year from £7.6m to almost £10m, for stated earnings per share up from 5.97p to 8.74p. Including profits from property trading the rise was from 5.97p to 11.34p.

Group profit after tax and minorities increased from £2.4m to £3.4m, or, excluding property trading profits, from £2.4m to £3.2m.

The group has followed its normal practice of excluding from earnings profits from the sale of properties previously held as an investment—as distinct from property trading profits.

Last year Hammerson raised some £4.6m from the sale of investment properties (£2.7m in 1979), the cash being used to "accelerate the write-off of deferred interest and other development outgoings incurred in relation to other properties."

Following the announcement of results yesterday Hammersons share price rose 5p to 65p.

## Hawtin drops to £270,000

SECOND-HALF profits of Hawtin, protective clothing and safety equipment maker, slumped from £582,000 to a near break-even £41,000, leaving the pre-tax figure for the year ended January 31, 1981, down from £1.18m to £270,000.

The dividend has been maintained, however, at 0.25p net per 5p share.

Turnover was down at £11.14m compared with £12.13m, and profits were slashed, after interest £316,000 (£296,000).

There was a tax credit of £75,000 (£133,000 charge), minority interests' credit of £5,000 (£4,000 debit), and an extraordinary debit of £210,000 (£173,000).

Earnings per share are given as 0.94p against 0.97p (1.57p) on 52 per cent tax rate—and after appropriations the amount retained was £28,000 (£74,000).

A CCA adjustment on pre-tax profits reduces the amount to £48,000 (£84,000).

## Safeguard Industrial down by 6%

Pre-tax revenue of Safeguard Industrial Investments, an investment trust, fell 6 per cent from £454.83m to £428,003 for the half year to March 31, 1981.

Mr. John Keeling, the chairman, says the reduction was not unexpected, as all the company's investments are in the UK with three-quarters in the industrial and commercial sectors.

The net interim dividend is unchanged at 1.8p per 25p share—the total payout last time was 5.8p on taxable revenue of £970,105.

Net asset value at the half year rose to 131.2p per share, against 119.8p six months earlier.

## Samuelson Film shows first half improvement

Profits before tax of Samuelson Film Services, suppliers of equipment and services to the film and television industries, rose from £268,000 to £299,000 for the six months to the end of September 1980 after depreciation of £406,000 (£349,000).

The board has decided in view of the current uncertainties in the film and TV industry to again pay only one dividend for the year when the full results are known.

The group's three substantial freehold properties in North-West London, which were shown in the last balance sheet at slightly under £2m, are to be revalued and the revised figure incorporated in the accounts.

The directors report that there is, as yet, no sign of any significant improvement in the level of activity in the film and television industry.

The film studio side of its Production Village Project has been badly affected and £70,000 additional depreciation has been provided for in respect of these assets.

After discussions with a local planning authority on the future of the leisure site of the Village, the company has recently purchased for £105,000 a nearby 0.6 acre site to provide car parking facilities in an effort to comply with planning requirements.

## Arrow Chemicals omits dividend

TAXABLE LOSSES of £498,000 were incurred by Arrow Chemicals Holdings for 1980 on turnover of £5.75m and the dividend is omitted.

In the previous 37 weeks, the group, which manufactures and markets chemical products, returned a pre-tax profit of £137,000 on turnover of £2.52m and paid a net dividend of 1p.

The directors say that following the appointment of Mr. J. C. Richardson as chairman, remedial action was accelerated and widespread rationalisations were introduced.

## R. H. Cole £0.3m loss pre-tax

FOLLOWING a turnaround from a profit of £518,000 to a £79,000 loss midway, R. H. Cole, chemicals, plastics and electronic converter, finished 1980 with a taxable deficit of £293,000, compared with a £581,000 profit. But after a substantial tax credit earnings per share doubled.

Turnover fell from £38.22m to £24.44m.

In their interim report the directors said they were continuing to seek means of increasing market share and containing operating costs, but in the depressed conditions, immediate prospects were not encouraging.

As the year progressed the group's activities, other than those of Cole Electronics, were affected by the increasing severity of the recession, they now state. Particularly hard hit were the companies serving the plastics and chemical industries, from which a major part of group business is derived.

Economies in operating costs were achieved and productivity improved, they say, and despite the setback Cole should be well placed to take advantage of the upturn in the economy as it occurs.

There is a tax credit of £597,000 (£584,000 charge) for the year—including a £588,000 (nil) deferred tax release—and after minority interests £13,000 (£15,000) and an extraordinary debit of £178,000 (£140,000 credit), the attributable balance came through ahead from £296,000 to £384,000.

There is a final dividend of 2p (2.52p) net per 25p share, which is the total—last year's distribution amounted to 4.65p.

Earnings per share are shown to have doubled to 19.7p (9.9p), and after the dividend cost of £20,000 (£133,000) the retained profit was £364,000 against £163,000.

The greater part of the £139m consideration from the sale of the Data Communications business has now been received, and improves the group's liquidity.

## MIM gets go-ahead for Oak Creek

AUSTRALIA'S Foreign Investment Review Board has given the go-ahead for MIM Holdings' A\$250m (£134m) Oak Creek coal project in Queensland. The approval is given after MIM, which is 49 per cent owned by America's Asarco, guaranteed a 50 per cent Australian equity ownership in the venture, reports our Sydney correspondent.

Discussions on financing the project are already under way and it is hoped to make the first shipment of coking coal in 1983.

So far, agreements have been signed with three European steel mills for annual sales of 1.7m tonnes of coal.

The go-ahead decision ends almost 18 months of haggling between the Australian Government and MIM over the size of local equity in Oak Creek. The company has several options open in its task of raising the Australian equity to 50 per cent before the start of coal shipments.

The two most likely courses would be to launch a public company for the project and invite Australian shareholders to take up 50 per cent, or to seek at least one Australian company to join the bid.

In London yesterday Sir James Potts, the MIM chairman, pointed out that at present the company's famous Mount Isa copper-lead-zinc mine in Queensland provides some 90 per cent of revenue which totalled A\$579m last year. But he thought that in the second half

## Northern Engineering seeks £28.8m by rights

Northern Engineering Industries is raising £28.8m by way of a one-for-four rights issue at 70p a share.

The big electrical and mechanical equipment manufacturing group, which two weeks ago reported a strong recovery in 1980 profits to £26m (£18.1m) is seeking the funds for the continued development of existing businesses. And for further expansion in areas in the UK and overseas which present good growth prospects.

The directors note that the development of NEI in 1980 was reflected in some £46m of capital investment, of which £25m was overseas, mainly on the acquisition of the Exel Corp. in the U.S., teleprinters manufacturer.

During the year, turnover rose 35 per cent, requiring additional working capital. Assets employed by the group rose £28m to £198m at the year end. Net borrowings are less than 20 per cent of equity.

No profit forecast is provided nor any indication with respect to dividends in the current year. However, in the 1980 report and accounts Mr. D. McDonald, chairman, said the group began 1981 with an order book substantially higher than at the beginning of 1980.

"Although there is a shortfall in some sectors, most of our UK trading activities should achieve a reasonably balanced workload."

The rights issue is being offered to shareholders on the record on April 24 and is subject to approval of a resolution to increase the authorised capital at the beginning of May 27.

Thursday night's closing price was 80p cum dividend, but the underwriter, N. M. Rothschild and Sons, priced the issue at a 10 per cent discount on an after-hours price of 89p cum dividend.

Dealings in the new shares are expected to begin in oil paid form on May 28 and the final date for applications is June 17. Brokers to the issue are Furness Gordon and W. Greenwell. See Lex, Back Page

## John Laing holds dividend despite £8m profits dive

WITH 1980 an extremely difficult year for the construction industry, at home and overseas, pre-tax profits of John Laing, construction engineer, dropped from £11.27m to £3.2m, despite higher turnover of £60.6m against £52.1m last time.

At the pre-tax level, second-half profits, at £1.74m, showed an improvement of £0.28m over the first six months, but were well down when compared with the 1979 corresponding figure of £3.25m.

Although earnings per 25p share for the year are shown to have fallen from 14.2p to 5.4p, the dividend is being maintained at 2.875p with a same-again final of 1.875p.

Sir Maurice Laing, the chairman, says many of the company's problems stemmed directly from the severe drop in demand on the industry at home and in the increasingly competitive overseas market.

Products and other trading activities were hit badly by the recession and, although UK building and industrial engineering activities generally performed well and more houses were sold, losses were incurred on certain significant civil engineering and overseas contracts.

It is believed that all the company's current and potential problems have been identified and that the right steps are being taken to correct matters.

The considerable cash outflow of 1979 ceased last year and it is anticipated that the increased workload, the cash situation will be maintained in Sir Maurice says that at this stage it would be unwise to predict the outcome for 1981, but adds that a satisfactory work intake has been accompanied by improved performance and cash flow.

## Kwik Save up £2.7m midway

ON SALES increased from £157.43m to £190.25m, taxable profits of the Kwik Save Discount Group, grocery supermarket operator, expanded by £2.7m to £8.56m for the half year ended February 28, 1981.

Trading profits were up 67 per cent from £5.3m to £8.85m—pre-tax figure last time was after an exceptional debit of £350,000—and included £297,000 (nil) from Coleman Meat Company and gross rentals from concessionaires of £1.6m (£1.3m).

The directors say that while sales in the second half continue at a satisfactory level, they do not anticipate a percentage increase in trading profit comparable to that obtained in the first, because of the much-improved result shown in the last six months of the 1979/80 year—profit then was £9.1m to give a trading surplus of £14.4m (£15.25m pre-tax).

The improvement in net margins has been maintained and a more stable supply position has enabled directors to reduce stock levels considerably.

The consequent benefit of improved liquidity and high interest rates has resulted in a turnaround from an interest charge of £160,000 to an amount received of £240,000.

After tax of £4.6m against £3.01m earnings per 10p share are given as 6.25p (4.71p).

## Ayrshire Metal setback

IN THE second half of 1980, Ayrshire Metal Products, the light engineering and steel fabrication group, dived into the red with a pre-tax loss for the period of £445,000, against a £1,07m profit last time. This meant that the full year taxable surplus plunged from £1.83m to £0.25m, on turnover £2.38m lower at £14.25m.

The company continues to face adverse trading conditions which have not improved since the end of the year. Losses are still being incurred, although at a lower level than those sustained in the latter half of 1980.

With this in mind the considerable ongoing level of capital expenditure, the directors are not recommending a final dividend. The interim of 2p therefore compares with the 1979 total of 7p.

There was a tax credit for the year of £395,000 (£367,000) charged.

## MALAYSIAN TIN

The suspension price of Malaysian Tin was 98p, and not 114p as reported in yesterday's edition.

P and O will almost certainly meet its forecast of a moderate additional opening times, physical expansion and its geographical bias towards the more affluent south east.

Analysts predict that the dividend could rise as much as 30 per cent on its 1979 equivalent. Group sales should be at around £1.6m or more, against £1.22m.

Moreover brings out its preliminary figures on Tuesday. The first half showed lower sales than had been budgeted, and deeper markdowns. The remainder of the year will have continued that pattern in the UK, while margins in continental Europe have suffered from the softness of most European currencies relative to sterling.

In the U.S., a less than spectacular Christmas and higher prime rates have clearly retarded the American operation's emergence into the black—now thought likely to occur in 1982. Analysts are looking for pre-tax profits to fall by more than a quarter, from £22.3m to about £16m, but cost reductions will begin to show through soon and 1981-82 is expected to see a recovery in the upward track. A maintained dividend, more than twice-covered by estimated earnings, seems likely this week.

## Results due next week

Pre-tax profits of UDS are expected to fall—after the half-time slide it could scarcely be time slide if it could scarcely be time slide. Against last year's £24.1m, some estimates of net Thursday's pre-tax line now sink as low as £10m, although there are others looking for as much as £15m. There is a sufficiently wide scope for variation in the accounting treatment of closures and disposals to make forecast difficult. Now that Myers has been eliminated—with its probable loss-making potential of £5m—the recovery potential of UDS is considerable. A maintained final dividend is confidently predicted by everybody, despite lack of cover. Even the more bullish analysts warn that a strong trading advance is amply discounted in the price.

Dividends shown net pence per share and adjusted for any clearing scrip issue. \* Second interim dividend. † Includes non-recurring dividend of 0.7p. ‡ Includes special dividend of 0.25p. § First quarter figures. ¶ Includes non-recurring dividend of 0.2p. Includes non-recurring dividend of 0.25p.

Company	Current payment	Date	Dividend	Total at year end	Total last year
Aberdeen Trust ... Int.	2.1	June 19	2	5.75	5.75
Albany Inv. Trst.	1.4	—	1.1	1.92	1.92
Arrow Chemicals	Nil	—	1	Nil	15
Ayrshire Metal	Nil	—	5	2	7
Beigraive (Black)	Nil	—	1.5	1.5	1.5
Henry Boot	10	—	10	13	13
R. H. Cole	2	July 6	2.52	2	4.65
Fundinvest ... Int.	1.73	May 31	1.79	4.18	4.18
Hammerston Property	8.5	—	6	8	6
Hawtin	0.25	June 5	0.25	0.25	0.25
House Property	3.5	July 8	3.5	4.5	4.5
Jernyn Inv.	1.63	—	1.63	1.63	1.63
Kwik Save	1.6	July 1	1.3	1	1
John Laing	1.88	—	1.88	2.88	2.88
Liberty and Co.	1.3	June 8	2.6	1.7	3.4
Most Bros.	1	July 14	2.8	1.91	1.7
Safeguard Industrial Int.	1.8	June 12	1.8	1.7	3.31
Samuel Properties Int.	1.2	July 2	1.1	4.2	4.2

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Included special non-recurring 0.27p. § Corrected. ¶ For 37 weeks.

child and Sons, priced the issue at a 10 per cent discount on an after-hours price of 89p cum dividend.

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However, construction is a long term industry and with the weakness of the market and the level of competition in mind, he says it will be some time before the company produces what he considers to be a satisfactory return on its very large turnover.

The 1980 pre-tax profits were after a certain depreciation up from £5.8m to £7.93m and share of associates' losses of £1.28m (£3.58m profits). Tax took £2.35m (£3.94m) but including an extraordinary credit of £5.85m, against a £2.04m debit, the attributable surplus came through ahead from £5.61m to £3.77m.

The extraordinary credit reflected the release of £13.78m provisions for deferred tax; less an exchange deficit of £3.46m and a further £4.47m representing factory closure costs, losses in respect of trade investments and other items.

See Lex, Back Page

By February 28 the group had opened a further 19 stores and closed three, and by the year end directors anticipate that Kwik will be operating over 270.

The remaining 40 per cent minority holding of shares in the Coleman Meat Company has been acquired for £1.5m, payable half in shares and half in cash.

See Lex, Back Page

There was a tax credit of £476,000 (charge £51,000) and an extraordinary debit of £1.91m, representing the permanent reduction in the value of goodwill taking into account the losses suffered and the current economic climate.

The loss attributable to shareholders was £1.95m (profit £22,000), giving a loss per 25p share of 0.53p, against earnings last time of 1.9p.

After current cost adjustments, the pre-tax loss of the group remains at £498,000.

Borrowings were reduced from their 1979 level and the smaller group subsidiaries operated at a profit throughout the year. They say export sales were also increased.

Looking to the future, the board says it has been encouraged by the profitable trading of the group since the beginning of the year and with the drastic reduction in overheads, it looks forward with confidence.

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## Samuel Properties downturn

TAXABLE profits of Samuel Properties dropped from £1.91m to £1.11m for the six months to the end of December 1980, gross income down from £5.62m to £3.29m.

An increased interim dividend of 1.5p (1.1p) is to be paid. In the previous full year, the group paid a net total of £4.4m and reported pre-tax profits of £4.17m.

The directors say the drop in profits was principally because of a lower volume of sales of residential developments and an arbitration award of £242,000 for a transaction which occurred in previous years.

They say that the group's main activity, property investment, nevertheless increased its contribution.

Tax took £444,000 (£394,000).

## Henry Boot declines in second half

A DROP of £762,000 in the second-half surplus to £145m has left the full 1980 result behind from £2.23m to £1.7m pre-tax, at Henry Boot and Sons. Brokers to the issue are Furness Gordon and W. Greenwell. See Lex, Back Page

The dividend has been maintained at 13p net per 50p share with a same-again final payment of 10p.

In November last, the directors reported interim profits of £251,000 (£12,000) and said that third-quarter results confirmed their doubts that 1980 profits would exceed those for the previous year.

Turnover for the full period of this Sheffield-based construction, joinery, engineering, property, foundry, plant and machinery concern rose £5.2m to £91.54m.

Earnings per share are shown as 64p (49.1p) and excluding the exceptional credit for deferred tax, 27.6p (18.3p).

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BIDS AND DEALS  
Moran sells underwriting agencies to Stenhouse

MR. CHRISTOPHER MORAN has agreed to sell the underwriting agencies of Christopher Moran Group for £3.1m cash to Stenhouse Holdings, an insurance broker.

At the same time the group's broker company, Christopher Moran and Co., yesterday appealed against a High Court order to repay premiums to five Lloyd's syndicates.

The chairman of Lloyd's has indicated the sale has the approval of the Committee of Lloyd's. The agreement is subject to approval by shareholders in CMG. The directors of CMG intend unanimously to recommend shareholders to vote in favour of the transaction. A class one circular will shortly be sent to shareholders.

Mr. Christopher Moran said yesterday that discussions had been taking place over the past few months. The companies to be sold are Harman, Hedley Agencies, Redgrove and Everington, Hedley and Redgrove Agencies and Harman, Gardner-

## Philip Morris not making full bid for Rothmans

Philip Morris, the U.S. tobacco, brewing and soft drinks group, made clear yesterday that it did not intend to make a full bid for Rothmans International, a company which has been dropped by 7p as a result to 64p.

In a brief and obliquely worded statement, Philip Morris and Rembrandt Group of South Africa, which controls Rothmans, said they had no intention of going beyond the £350m (£163m) partnership deal announced last week.

Under this agreement, Philip Morris is to buy half of the Rembrandt stake in Rothmans along with various trade marks of the South African group in northern and southern America.

The joint statement said: "In the light of certain speculation in the Press, the Rembrandt group and Philip Morris Inc. wish to confirm that no further transactions involving securities of Rothmans International are contemplated beyond those announced."

Shares of Rothmans were a strong feature this week on hopes that a full bid might be on the way. Philip Morris will gain a 22 per cent stake in Rothmans under the deal, but could end up with a third of the votes if it converts the bonds also included.

Rembrandt's agreement with Philip Morris angered another major U.S. tobacco group, R. J. Reynolds, with whom Rembrandt had previously been linked. On Monday, Reynolds published a letter to the effect that it was not interested in the deal.

Anton Rupert, Rembrandt's chairman, and his own chairman, Mr. Paul Sticht.

## Mills &amp; Allen German deal

A 50 per cent stake in Uwe J. Muller Devisenmakler, one of Germany's leading money brokers, has been acquired by Mills and Allen International for £2.5m.

The consideration to be satisfied in cash, of which £1m will be funded out of group resources and the balance out of a medium term Deutschmark loan.

Net assets of Muller, which has offices in Hamburg and Düsseldorf, as at December 31 last, were DM 2.13m (£450,000), with 1980 pre-tax profits available to the partners of DM 3.95m (£840,000).

Concrete by Ready Mixed Building Materials, a British Dredging rights issue, prior to a takeover bid, was defeated at an extraordinary general meeting in Cardiff yesterday.

British Dredging shareholders voted by 5,296,647 to 3,935,865 in an 80.1 per cent poll to back the rights issue decision, which increased the authorised share capital of the company from £3.75m to £5m.

In doing so, they also approved the underwriting arrangement with Equity Capital for industry (ECI).

In view of the decision, Mr. Jim Owen, RMC director, said the conditions for his company's proposed 35p per share bid had lapsed. RMC would decide its next course of action in due course, but one option might be the gradual disposal of its 36 per cent share in British Dredging.

At the same time, RMC refused to withdraw its opposition to a second resolution. It used its stake to block cancellation of the whole of the amount increased authorised share capital of the company from £3.75m to £5m.

This move was denounced as "scandalous" by Mr. Fane Vernon, the British Dredging chairman. "It is a most irresponsible act by a major public company to frustrate the wishes of the majority of shareholders," he declared.

But he added there were other ways and means of meeting the deficit on distributed reserves, including a planned revaluation of the company's property assets, which would be examined.

Justifying the decision, the RMC directors said they believed dividends should only be paid out of underlying profits.

The chairman stressed that British Dredging's asset value was currently 41p but there had been no valuation of properties since 1973-74. This would be carried out before the end of the year. It is expected to add perhaps a further 9p-10p to the share asset value.

Too late warned at the interim stage when revealing a sharp fall in profit to £2m that no significant upturn could be expected in the rest of 1980-81. Analysts suspect that there was no seasonal upturn in volume towards Christmas nor any improvement in margins as textile producers scrambled to reduce stocks. Still the final pre-tax result, which is to be announced on Tuesday, might be £5m compared with £14.6m in the previous year. The interim dividend was held but it is doubtful that the company will do the same with the final, given the high tax charge. A good bet might be a final halved to 1.02p.

Other results due next week include preliminary figures from Telephone Rentals, S. Pearson and Son and Pearson Loan on Tuesday and General Agent Fire and Life Assurance on Wednesday.

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insurance broker group is which Stenhouse itself has a 53.7 per cent stake.

In accordance with the requirements of Lloyd's, the share capitals of the companies are divided into "A" voting shares which have no rights to income and capital and "B" non-voting shares which have rights to income and capital.

Under the terms of the agreement, the subsidiaries will sell all of the "B" shares of RHA, R and E and HGR and the 50 per cent of the "B" shares of H and R held together with the 25 per cent of the "A" shares of each of the companies held.

Mr. C. J. Moran has agreed at the same time to sell at par such number of "A" shares in the companies as he holds, varying between 25 per cent and 33 per cent of the total, to persons nominated by Stenhouse and approved by the Committee of Lloyd's.

The remainder of the "A" shares of the companies are held by individual members

## Ward fails in bid for Tunnel

THOMAS W. WARD yesterday confirmed it had failed at its first attempt to acquire Tunnel Holdings, the country's third largest cement manufacturer, but said it would be extending its offer now worth £75.4m for a further two weeks.

In the first round of what yet may prove to be a long drawn-out struggle, Thomas Ward, the iron, steel, building materials group—which already held a 30 per cent stake in Tunnel—only received acceptance in respect of 2.14 per cent of Tunnel's B shares. This now gives Ward an effective 31.51 per cent stake in Tunnel.

Following yesterday's announcement, Tunnel



## WORLD STOCK MARKETS

# Narrow gains on Wall St.

**NARROW GAINS** were in the majority on Wall Street yesterday even though First National Bank raised its Broker/Loan rate to 18½ per cent.

By 1 pm the Dow Jones Industrial Average was up 2.07 at 999.82, reducing its loss on

at \$54½, Ford Motor \$1 at \$21½, Chrysler \$1 at 61, Honda Motor \$1 at \$45, Nissan \$1 at \$44, General Motors (over-the-counter) and Toyota \$3 at \$53 bid, also (over-the-counter).

Volume leader National Medical Care gained \$1½ to \$54½.

Gulf Canada gained \$1 to \$25. Dome Petroleum added \$1½ at \$96½.

Sigma Mines were up \$1 to \$37—it raised its dividend and will split its stock two-for-one.

Mitel jumped \$2½ to \$35 on 48.171 shares.

wide front but Motors rose sharply after an Agreement on Export Curbs between Japan and the U.S. While "Big Capitals" were also favoured.

Major losers were "Rich-Priced" Electricals, Oil Cos., Precisions, Insurer, Construc-

## Australia

the VSEK to 20.53, while the NYSE All Common Index, at \$37.29, added 0.25 cents on the day but was still off 96 cents on the week. Advances led declines by a small margin in a volume of 33.9m shares.

The Federal Reserve continued to add reserves to the banking system and succeeded in cutting some short-term interest rates. Investors remained

\$544 - a block of 564,100 shares moved at \$231 and another of 131,900 at \$230.

Middle South Utilities slipped \$1 to \$111 - a block of 323,000 shares traded at \$111. Agreed tacked on \$1 at \$54 - it agreed to license Seretech Corporation of microelectronics. A block of 115,000 Avnet moved at \$54.

Defence issues firmed. Litton rose \$1 to \$751. Raytheon \$1 to

**Hong Kong**

Stock prices rebounded in moderate trade, recapturing most of the losses sustained during the market higher for the week. The Hang Seng Index closed at 1,439.23, up 14.87 for the day on combined turnover for the four exchanges of HK\$4.65m, down slightly from HK\$78.23m Thursday.

...and Synthetic Fibres

But Nippon Steel rose ¥11 in ¥210. Toyota ¥30 to ¥1,140. Honda ¥33 to ¥980. Nissan ¥17 to ¥985 and Mitsubishi Heavy Industries ¥17 to ¥985.

Securities firms gained sharply, with Nomura Securities up ¥20 to ¥380.

**Australia**

Concern about the situation in Lebanon eased slightly. Lebanese officials continued to prepare for talks with Syria, despite the

recent escalation of fighting. Oils, Blue Chips and High Technology issues led the advance. Among the actives, Rowan Cos gained \$1 to \$174— a block of 151,300 shares.

moved at \$167. Standard Oil (Indiana) advanced \$1 to \$571, Exxon \$1 to \$69, Standard Oil of California \$1 to \$423 and Halliburton \$1 to \$661.

Volume leader Dornier's Gas moved up \$11 to \$21, Ranger Oil \$1 to \$133, Mitchell Energy \$1 to \$361, Petro-Lewis \$1 to \$22 and Dome Petroleum \$1 to \$501.

Flow General, which surged

Among better Properties, Cheung Kong gained 20 cents to \$HK26.90, Carrion Investments increased 5 cents to \$HK8.55, and Sun Hung Kai Properties moved

snare \$4000 over.

(CB Bank rose 25 cents to \$A3.30 on speculation it would seek a partner to avoid reorganization to junior status if the CBA merger went through.

Active Prime Computer were lifted \$2 to \$42. IBM rose \$1 to \$69 and Digital Equipment \$1 to \$100, and Squibb \$14 to \$37.

Active G. D. Searle was \$14 to \$47 Thursday in active trading, came back \$3 to \$41 — it said it knew of no reason for its share price Thursday.

Ionics rose \$1 to \$23. Bic Pen up 21 cents to \$84.10.

The Swire Group enjoyed a strong gain, with Swire Properties up 60 cents to \$HK17.40 and Swire Pacific "A" also gaining 60 cents to \$HK15.90.

Trading elsewhere featured "heavyweight" Metal stocks, including CRA up 30 cents to \$A4.90, Hannemery, up 30 cents to \$A4.60, following rumours in the market of his move in the

**Canada**

Crude Service lost \$4 to \$45— it said its Oil and Natural Gas reserves declined in 1980.

M/A Com shed \$4 to \$37½ on plans to offer \$100m of 25-year debt.

Markets extended their early gains in moderately active trading yesterday when the Toronto Composite Index rose 3.0 to 2,309.4.

Oil and Gas Index moved

**Tokyo**

Share prices fell sharply on profit taking by "smaller" domestic investors on caution

countries were closed yesterday for May Day: Argentina, Austria, Belgium, Bolivia, Brazil, Colombia, Ecuador, Egypt, Finland, France, Greece, India, Israel,

On the London market, the price of gold rose 18.4 to 4,471.5 and silver 18.4 to 4,328.9, while Metals and Minerals put on 1.0 to 2,295.6 and Utilities 0.02 to 362.95. But Banks lost 3.04 to 293.31 and

Closing prices for North America were not available for this edition.

Papers eased 0.14 to 272.21. Active Ranger Oil rose \$1 to \$16 1/8 on 58,040 shares, while active trading volume of 1,000m shares.

Zurich, Sweden, Thailand, Uruguay, Venezuela and West Germany.

Many issues declined over a

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BELEM (continued)      HOLLAND      AUSTRALIA      JAPAN (continued)

[illegible]

Agencia Aluminio	15%	13%	Soc Gan Bang	1,870	10	AKZO	244	-0.1	Amcol Pet	1.91	+0.01	Amul	588	-10
Alean Alum.	40%	41	Soc Gan Belg	1,050	14	ABN	294	-1	Aust. Pulp Pab.	2.8	+0.21	Amul Coma	588	+20
Alorga Steel	48%	49	Sofina	2,940	5	AMV	61.1	+0.5	Aud. Tico	2.06	-0.04	Nakita	920	-10
Alsestos	21	41%	Solvay	2,060	10	AMRO	97.2	-0.8	Aust. Tires, Ind.	2.06	-0.04	Marubeni	367	5
Alu. Montal	29%	29	Trent Elect.	2,060	15	Breders Gerl.	88	-0.7	Aust. Tires, Ind.	1.90	-0.18	Muradali	671	-14
Bak. Resin	29%	29	UBS	1,233	15	Breders Gerl.	88	-0.7	Aust. Nat. Inds.	3.80	-0.04	Maru	890	5
Brk. Resin	9%	9%	Union Miniera	730	2	Bubmann-Tet.	61.5	-0.6	Aust Paper	2.30	-0.04	Matsushita	1,440	-10

Bell Canada	187½	187½		Galland Hldgs.	35.1	-0.5	Bank NW	3.28	-0.94	M&A Eng Works	400	-6
Bow Valley	17¼	17¼		Elexover	138		Blue Metal	2.15		M&B Corp	671	-24
BP Canada	41	41¼		Enria	147		Bond Hldgs	3.40	+0.05	M&B Inc	338	-1
Brascan A	33¾	33¾		EuroCom Tst	76.5		Boral	5.80		M&B Int'l East	461	-18
Brinsco	103½	103½					BVille Copper	1.68	+0.08	MHI	302	-18
				Girt. Brocades	61.7	-0.3	Brands	5.05		M&S Corp	395	-9
				H.K. Knoken	54.8	-0.7	Brinlec OI	6.70	-0.20			

Cal. Forests	251	20.2	—	Hogovens	18.9	+0.5	BHP	14,236	+0.18	Mitsui Int Est	613	-3
Canadian Pipeline	551	35.1	—	Hunter Douglas	20.6	+0.1	Shunwei Oil	0.24	+0.02	Mitsubishi	496	-6
Comcast	335	35.4	—	Int-Muller	20.5	-1.3	NGK Insulators	4.90	+0.29	NGK Insulators	450	—
Con Cement	18	16.4	—	KLM	119.3	+0.2	CRA	7	-0.01	Nippon Denso	1,370	+10
Con NW Landc	271	37.4	—	Landstar	—	—	GSR	—	—	Nippon Gaski	979	-31
				D. Sukerfab	371	-6	Nad Ned Cert.	119.5	0	Nippon Mast.	—	—
				Danake Bank	115	+0.4	Nad Grad Bank	44.5	+0.3	Novon	000	00
Con Packers	35	35.3	—									

Gen Perm Mts	24	23.4	Asst Aestic	133.4	+1.2	Nld Mid Bank	166.5	-0.5	Gluffy Oil (Aust)	0.45	+0.82	Nippon Shuppan	726	-24
Can Tru Mts	27.5	29.1	Finanabank	162.2	-0.2	Nedlloy	133.3	-2.5	De Opts	0.26	+0.01	Nippon Steel	210	+11
Can Imp Bank	30.2	31	Foreneda Brg	251	-3.4	Oss Grinten	112.5	+2.5	Com Gm	0.77	+0.01	Nippon Suisan	234	-1
Cdn Ind	27	26.1	Foreneda Damp	267	-2	Omercen (Van)	34.9	-0.3	Coles (Jaco)	2.62	+0.01	NTV	4,320	-
Cdn Ind	27	26.1	Foreneda Damp	267	-2	Pakhoed	45.9	-0.3	Com Gm	2.45	+0.01	Nissan Motor	695	+16
Cdn P. Ent	24.5	25.5	GNT HD	206	+0.6	Philips	22.1	-	Cons Gold	6.10	-0.50	Nishin Flour	275	-4
Cdn Tires	35	35	Nord Kabel	145.6	-0.4				Cons Gold	6.10	-0.50			

Charoaks Res.	8	8	Privatebanker	102.4	Rijh-Schels	38.3	-1.3	Costain	4.00	Washin steel	178	+20	
Chino	21	21	Prudential	121.5	Robeco	37.7	+0.2	Crusader Oil	6.90	Nomura	580	+20	
Cominio	674	68	Redemco	119.9	Rodemo	37.1	+0.9	Dunlop	1.15	Hyundai	500	-16	
Cos Berth A	283	284	Provnabanken	182.2	Rohnto	24.1	+0.9	Elcor Smith GM.	4.35	+0.81	1,280	-80	
Cosaka Res	20	20 1/2	Smith (F)	288.4	Sainsbury	288.7	+0.4	Endeavour Res.	0.59	-0.81	1,290	+50	
			S. Berends	630	Slavendutch	94	+3.4	Gen Prop Trust	1.60	+0.31	Pioneer	3,440	+20
			Superfos	137.6	Slavendutch	120	+10.5				Ranown	800	

Saskatoon.....	13½		Tokyo Pac Hg.....	234	+2	Hortgen Energy.....	8.70		Rioch.....	731	-6
Dan Clevel.....	13½		Unilever.....	148.5	+4.8	Hooker.....	1.40	-0.05	Banyo Elect.....	822	-5
Denison Mines.....	47	47½	Viking Rese.....	140	+1.5	ICI Alum.....	2.35		Sapporo.....	261	+1
Dome Mines.....	107	106	WMF Stork.....	40.5	+1.2	Jennings.....	1.50	-0.05	Seikuri Prefab.....	988	+3
Dome Petroleum.....	95½	94½	XVI.....	10.5	+0.5	Jimberlines 25c.....	0.95	-0.02	Shaw.....	776	-10
			Volvo-Stavrn.....	29	+1.5	Jones OJ.....	1.55		Shieldco.....	970	-10
			West Utl Bank.....	174	+2					4,800	-110

**FRANCE**

April 30

	Prices	+ or -
Frs.		

[illegible]

Midstream Res.	84	AN Primtamps	1119.00	-1.70	Wire	Net Bank	3.50	+0.02	Taijin	701	-5		
Hawk Sld. Can	253	24	BIC	448	-11.20		News	3.55		Takoku Oil	240	-30	
Hollinger Argus	454	4814	344	Rothschild	180	-1		1.32		TBS	510	-11	
			Sauvages	715	-5	ANIC	890	+40		Tokyo Marine	783	-18	
Banking Bng. Ind.	311	314	SSN Garfins	1,060	-10	Assicur Gen	16590	+800	1.35		Tokyo Elect. Pwr.	933	+5
Hudson's Bay	253	255	St. Lawrence	750	-10	Assicur Com'le	800	+900	0.55		Tokyo Gas	118	
de. Oil & Gas	224	2216	Clirn Meditarr	40		Bastogi Fin	680	-50	0.95	+0.05			
						Confra	9890	+340	Panoco	0.90			

Busky Oil	16	16%	GGF	405	-8	Credito Varese	32,370 +370	Pan Pacific	0.15	-0.01	Tokyo Sanyo	587	-11
AC	11%	11%	GGF (Thomson)	371	Flat	2,569 -21	Pioneer Conc.	2.34			Tokyo Corp.	828	+5
Amason	34%	34%	Cie Banca	337	-3.70	Finisider	87,000 -7.35	Green Marg's T.	4.00	-0.01	TOTO	569	+3
Am. Oil A	34%	34%	Cie Genaux	337	-3.70		5,690 +5	Roskott & Co.	2.6		TOTO	569	+3
Am. Oil B	34%	34%	COFmeg.	138.90	-1.10	Montedison	2,000 -200	Santobank	2.54		TOTO	569	+3
Am. Oil C	18%	18%	COFmeg.	209	-1.10	Montedison	300 -0.25	Sleight (H.C.)	1.70	+0.02	Toyota Motor	1,140	+80
Am. Oil D	18%	18%	COFmeg.	209	-1.10	Montedison	375 +8	Southland/M.M.	0.70	+0.02	Toyota Motor	5,110	+80
Am. Oil E	18%	18%	COFmeg.	209	-1.10	Montedison	375 +8	Southland/M.M.	0.70	+0.02	Toyota Motor	5,110	+80

Max Blooded.....	43	43	CFP.....	199	11	Olivetti.....	4,830-8	Spangos Expl.....	0.97	-0.03	Wacani.....	780	-30
Starks & Spencer.....	101	101	DNEL.....	30.90	-1.30	Pirrelli Co.....	4,989-9	Thos Matwida.....	2.65		Yamaha.....	1,000	-10
Stevens Ferg.....	4.60	4.65	Dumex.....	875	-15	Pirrelli Spn.....	1,710-30	Thos.....	2.95	-0.01	Yamazaki.....	550	-5
Walters M.....	56.10	56.10	Feroz.....	275.60	-24.50	Srin Viscosa.....	2,255-6	UHAL Cons.....	3.58		Yasuda Fire.....	350	-9
Wardland Explor.....	32.4	30.6	Gen. Occidental.....	96.90	-16.10	Toro Asano.....	1,160-15	Valiant Const.....	0.50		Yokogawa Bdg.....	533	-3
Witell Corp.....	8.94	8.94	Imetel.....	355	-2.28	Toy. Asano.....	85,800-1100	Watsons.....	2.18				
						Co. Pref.....	4,019-1013	Watsons Mining.....	0.28	-0.04	KINGBORO.....		

[illegible][illegible]

inger Oil	12 1/2	14 1/2	Radiotech	225.00	-4.50	Storebrand	180	+7.5	HK Electric	8.20	+0.05	Sime Darby	4.98	+0.02
ed Steinhil A.	18	12	Redoute	568	-10				HK Kwong On	8.0	+0.1	Straths Trdg	13.3	
to Algon	34	33 1/2	Rhone-Poulenc	84	-1.00				HK Land	15.5	+0.1	UOB	7.30	+0.28
to Algon	34	30	Rousing Bank	177.50	-	Sweden			HK Telecom	14.7	+0.1			
Italy Trustco A.	19 1/2	19	St. Gobain	134.50	-0.25				HK Telephone	20.5				
ceptre Res.	15 1/2	15	Skis Rossignol	495					Mutchison Wpa.	16.6	-0.4			
egram	84 1/2	85 1/2	Suez	381	-6				Jardine Math.	20.20	+0.30			

[illegible][illegible]

Bayer-Verlin	886	+1.0	Mo och Dom	134	+3	Amade	758	+4.2	Gold Fields SA	90	+2.5
Bank	194	+1	Saab-Skania	158		Asahi Glass	590	+14	Highveld Steel	4.9	
BfW	174	-2.5	Sandvik	263		Bridgestone	586	-18	Huatai	7.75	
Brown Boveri	852		Skandia	304		Kiwi	150	-80	Nedra	77.25	+0.8
Commerzbank	135	+1	Slan & Svedka	104		Citiz	600		Nedra	7.50	+0.5
Comf Gumi	87.5	-0.5	SKF SA	104	+2	Dafel	654	+8	OK Bazar	19	
Daimler Benz	371	+0.5	St. Koopmans	350		DKSO	500		Pratt Hidge	3.20	

[illegible][illegible]

BELGIUM/LUXEMBOURG						BRAZIL					
	Karstadt	208	-	C&S Gely	1,175	-30	Houses Food	957	+33		
	Karlhof	177.2	+0.5	de M. Certe	866	-30	Hoya	981	-2		
	KHD	183.5	+1.5	Gredit Sales	3,250	-50	Rito CI	401	+5		
	Kloekner	54.8	+0.7	Flecher (Gen)	676	-10	Ito-Ham	494	-2		
April 30	Krupp	65	-0.2	Hoff-Roche Pilsch	82,250	-500	Ito-Yokado	1,120	-10	April 30	Pries Cruz
	Lufthansa	33.5	+1.0	Hoff-Roche Pilsch	8,225	-25	JAL	2,350	-18		
	Lufthansa	33.5	+1.0	Hoff-Roche Pilsch	8,225	-25	JAL	2,350	-18	Anstets	6.77
	Lufthansa	33.5	+1.0	Hoff-Roche Pilsch	8,225	-25	JAL	2,350	-18	Rango Brazil	0.79
	Lufthansa	33.5	+1.0	Hoff-Roche Pilsch	8,225	-25	JAL	2,350	-18		+0.16

[illegible]

Quinacolor Nat.	1,720	±5	Swiss West. Zinc	169	±5	Sander (Pt. Co)	385		Komatsu	530		Valle Rio Cement	5.50	+0.04
Inno.	2,800	+25	Swiss 14	114	+5.5	Schneider (Pt. Co)	360		Komatsu Filtr.	583	+5	Toro C.	37.77	Vol. 120.1m.
Brux (Brux L)	1,154		Scharling	285.5	±5	Swiss 16	744		Konishiroku	601	-16	Source: Rio de Janeiro SE.		
Swart.	1,400	+42	Siemens	259.8	-1.5	Swiss Bank		+2						
Shoken	2,280	-10	Thyssen	72.7	-0.3	Swiss Reinsco.	6,550							
Johnson	1,850	+10	Varta	185.5	-1.0	Swiss Volksw.	1,610							
Yokohama	1,260	+10	Yeba	151.9	-0.8	Union Bank	3,030	-15						

NOTES: Prices on this page are as quoted on the individual sources.

High	5,340	+40	Volkswagen	372	-1	Winterthur	2,530	-10	suspended	4th div	last traded	petrol	5	Castrols
			Volkswagen	166 1/2	-5 1/2	Zurich Ins.	18,450	+80	nd Ex	dividend	as Ex	traded	issue	nd Ex
									no Ex	all				

\_\_\_\_\_

## Companies and Markets

## INTERNATIONAL COMPANIES and FINANCE

## Legrand raises earnings by 25%

By Terry Dodsworth

LEGRAND, the fast-growing French electrical company, raised its net consolidated profits by 25 per cent last year to FF140.2m (\$27m) from FF111.4m in 1979.

Turnover rose by about 40 per cent to FF2.15bn, although the company emphasises that on a comparable basis, eliminating the results of a number of recent acquisitions the increase was about 20 per cent. Cash flow rose 24 per cent to FF254m.

After taking over Arnould-FAE, a French electrical fittings concern, in the course of last year, Legrand is pressing ahead with ambitious expansion efforts at home and overseas.

Last year it pumped FF188m into new projects, compared with FF108m in 1979. Its foreign operations, notably in West Germany, UK and Brazil, accounted for FF35m of this total.

Legrand's performance this year has not been so buoyant, according to the preliminary estimates. Turnover has risen about 5 per cent in the first four months, it says, although the results were affected by a strike in March.

● Banque Française du Commerce Extérieur, the State-run bank, has increased profits sharply for 1980 and plans to maintain dividend payments on a larger capital.

Net earnings rose by close on a third to FF60.4m following a broadly similar gain in operating profits to FF1.1bn from FF828m. The dividend is being held at 73 per cent on capital increased over the year by 50 per cent.

Balance sheet total at the end of 1980 was FF180bn, against FF140bn a year earlier.

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## Continental and Texas Air head for showdown

BY IAN HARGREAVES IN NEW YORK

CONTINENTAL AIRLINES and Texas Air are heading for a showdown at next Wednesday's annual meeting of Continental. But it is not yet clear just what the rules of combat will be.

Texas Air has been trying to get permission from the Civil Aeronautics Board (CAB) to use its 48.5 per cent stake in Continental to effect temporary control of the company while the CAB makes up its mind on the legitimacy of a merger between the two airlines.

Continental, which is resisting Texas Air's move, wants to go ahead and issue a large tranche of new stock to an employee trust, which would have the immediate effect of diluting the Texas Air holdings and eventually lead to an employee-owned company.

So far, the CAB has only ruled firmly that it will not allow Texas Air to take temporary control of Continental, but it seems highly likely to agree that the Continental shares recently bought by Texas Air carry voting rights at the annual meeting, even though opponents argue that such voting power prejudices the outcome of the CAB's merger ruling.

The CAB's preliminary ruling allowing the shares to be voted was not due to become final until the appeal period expired at midnight Washington time yesterday.

Beyond that, it is still not clear whether Continental needs shareholder approval to issue the new shares to employees as the company already has shareholder approval in general to issue an additional 50m shares.

Lawyers and lobbyists for both sides are working overtime on the issue and the CAB has refrained from making binding judgements on a number of important details so far.

● Two senior executives at Trans World Airlines have left the company to what TWA says is part of a programme of staff economies. Both Mr. Donald E. Casey, 48, senior vice-president for marketing, and Mr. Robin Wilson, senior vice-president for operations, were considered contenders for the office of the company president.

TWA lost \$72m before taxes in the first quarter and although the airline has had some success in reshaping its operations, like most of the large U.S. trunk carriers, pressures are very strong for smaller, lower cost airlines and from high fuel and labour costs.

## Larsen to sell its offshore drill rigs

By William Hall, Shipping Correspondent

GOTTAAS-LARSEN, the Bermuda-based shipping group, is withdrawing from the offshore drilling market. It is selling its two semi-submersible drilling rigs for close to \$100m.

Mr. Kenneth Trippé, chief executive, said yesterday that it was an "opportunistic" move to realise the substantial increase in rig values which had taken place since 1979. It will continue to have an indirect interest in offshore drilling through its 40 per cent stake in Det Nordenfjeldske Dampskibsselskab (NDFS), a Norwegian company, with interests in four drilling rigs.

Gottaas-Larsen has a 55 per cent interest in two Aker 133 semi-submersibles. The Norrmyr is being sold for \$70m cash to a joint venture in which NDFS holds 55 per cent. The sale of the Norrmyr is being negotiated. It is also selling its interest in Golar-Nor Offshore A/S, a rig management company.

The company also announced first quarter profit of \$3.7m against \$1.4m a year earlier. Revenues rose by a fifth to \$48.2m.

Two DANISH insurance companies, Hafnia Reinsurance and Danish Marine, are to merge and create a company with assets of DKK 1.5bn (\$250m) and capital and reserves of DKK 614m.

Danish Marine does not have a bourse listing. Its shareholders, which are mainly clients of the company, will exchange their shares for Hafnia shares.

The merger is agreed. Danish Marine is heavily engaged in the insurance of large Danish vessels and also installations in the Danish sector of the North Sea.

Hafnia Re is part of a group which includes Hafnia Life and Hafnia Accident. Group revenues last year increased from DKK 3bn to DKK 3.2bn and profits after tax from DKK 72m to DKK 137m. Danish Marine made a profit last year of DKK 31m.

## Bidder for CBA maintains silence

BY OUR SYDNEY CORRESPONDENT

THE IDENTITY of the Australian bank in the Commercial Bank of Australia merger mystery remains unidentified after more than a day of meetings.

CBA directors, who announced on Thursday that they received merger proposals from another Australian bank, held further discussions yesterday, but no official public statement was made by the bank and last night one was not expected before Monday.

The two paragraph statement about the proposals of Thursday evening.

The main figures in the drama maintained silence. Speculation embroiled Australia's top three private banks, but inquiries were all met with a "no comment."

The ANZ Bank yesterday took up "no comment" posture while the Bank of New South Wales and the National Bank of Australasia adopted a similar stance. The share market, however, remained convinced that the ANZ Bank was the CBA's suitor and that the marriage would not only be consummated by a straight one-for-one share swap, but would act as a catalyst for other mergers.

CBA shares rose A\$1.10 on the Sydney Stock Exchange to A\$4.50 a share which bought the share price roughly in line with that of the ANZ Bank. If the two were to merge it would create a bank with total assets of A\$23bn (over U.S.\$36bn) and an annual turnover of about A\$160m.

Not only did speculation envelop the ANZ and others, but spilled over to encompass the CBA's nearest rival, the Commercial Banking Company of Sydney.

The market considers that a CBA merger would be next in a wave of rationalisation and marked the share price up by 35 cents to A\$4.40, though turnover was light.

If the ANZ and the CBA merged, the Bank of New South Wales, in number two position, would have to fight tooth and nail against the combined might to ensure a satisfactory growth rate on assets employed, especially if restrictions are lifted on foreign-owned banks participating in the local market.

Consequently, the argument runs, for the Wales to build an asset base that would make it able to compete effectively it would need to look for a partner.

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## Australian Guarantee lifts income

By Our Sydney Correspondent

AUSTRALIAN GUARANTEE CORPORATION, Australia's largest finance company and a subsidiary of the Bank of New South Wales, raised its net profits by 16.1 per cent, to A\$1.95m (US\$3.87m), in the first half of the 1980-81 financial year, from A\$1.72m in the six months to March 31, 1980.

The gain was achieved despite strong competition from banks and other financial institutions in the raising of funds from corporations and households. The company followed a policy of offering relatively high rates on its debenture borrowings, and set a record return of 14 per cent with its most recent prospectus.

AGC has continued to enjoy strong growth in gross and net assets. Gross receivables rose 17 per cent on the year to A\$3.66bn from A\$3.13bn and net 16.1 per cent, to A\$2.86bn from A\$2.46bn.

The company expects continued improvement in profits despite the current tight liquidity in the Australian money markets.

The first-half improvement resulted mainly from improved profit of the commercial division, particularly property finance. Factoring and corporate leasing had also shown strong growth, while leasing growth had improved. Revenue in the half was A\$305.48m, against A\$270.75m.

Bad debts written off came to A\$8.1m, compared with A\$7m. Doubtful debt provisions were A\$900,000, against A\$4m.

The net profit was struck after tax A\$25.89m, against A\$22.39m, an increase of A\$3.50m, compared with A\$18.48m.

The interim dividend was unchanged at A\$4.375 a share.

## Swiss insurer continues U.S. takeover plan

By John Wicks in Zurich

ZURICH INSURANCE still plans to strengthen its position in North America through acquisition. Another attempt to buy a life company in the U.S. "will probably be made," but the Swiss group could not say when.

These plans were announced at the recent annual press conference. Last November Zurich Insurance made an aborted \$95m bid for the Indianapolis-based, Jefferson National Life Insurance Company.

Jefferson, which developed favourably last year, raising by 11.7 per cent to gross SwFr 6.47bn (\$3.25bn). At 1979 exchange rates growth was 10 per cent.

Non-life insurance business expanded by 12 per cent (to 77 per cent of the total) and life insurance premiums by 10.7 per cent. Investment income rose by 13.5 per cent to SwFr 1.02bn and capital investment was 13 per cent higher at SwFr 18.26bn.

Of gross premiums, 44.1 per cent originated in Switzerland in the life assurance sector and only 30.3 per cent in non-life. Major foreign markets were Germany, with 33.1 per cent of life and 20.4 per cent of non-life premiums, and the U.S., which provided 17.7 per cent of the non-life sum.

## Slump in textiles pushes Dollfus-Mieg into loss

BY OUR PARIS STAFF

THE CRISIS in the French textile industry last year undermined the recovery at Dollfus-Mieg (DMC), one of the leading companies in the sector. After profits of FF4.3m in 1980, the group slipped back into a net loss of FF6.9m (\$1.4m).

These losses were swollen, however, by exceptional charges tied to the sale of one of its troubled subsidiaries, Tissages de Fiers et Arts Graphiques DMC.

The main problem for the company, however, was the slump in the domestic textile market, which is reckoned to have fallen by 2 per cent last year. This problem was exacerbated by soaring inputs, which undercut French products and further diminished the profits of the home industry.

At DMC, the slump fed through into a rise in consolidated turnover of only 4.8 per cent to FF4.73bn. This increase was much lower than the country's inflation rate last year of 13.6 per cent.

## Berliner drops dividend

BY LESLIE COULT IN BERLIN

BERLINER BANK, which is owned by the city of West Berlin, increased its balance-sheet total by 11.3 per cent in 1980 to DM 8.7bn (\$3.9bn), but has passed the dividend after paying 16 per cent in 1979.

The dividend move is precautionary in case the City Government refuses to honour a DM 128m City guaranteed loan by the bank to a Berlin construction company that went bankrupt on Middle East projects.

Berliner Bank says it has recovered some DM 30m of the loan, leaving DM 98m outstanding. In addition it has taken "necessary precautions" by moving funds into its hidden assets. The possibility that the City Government might refuse to make up for the loss is regarded by the bank as remote.

## Danish insurers agree to merge

By Hilary Barnes in Copenhagen

TWO DANISH insurance companies, Hafnia Reinsurance and Danish Marine, are to merge and create a company with assets of DKK 1.5bn (\$250m) and capital and reserves of DKK 614m.

Danish Marine does not have a bourse listing. Its shareholders, which are mainly clients of the company, will exchange their shares for Hafnia shares.

The merger is agreed. Danish Marine is heavily engaged in the insurance of large Danish vessels and also installations in the Danish sector of the North Sea.

Hafnia Re is part of a group which includes Hafnia Life and Hafnia Accident. Group revenues last year increased from DKK 3bn to DKK 3.2bn and profits after tax from DKK 72m to DKK 137m. Danish Marine made a profit last year of DKK 31m.

## UA-Columbia rejects offer

BY OUR NEW YORK STAFF

UA-COLUMBIA, the U.S. cable television company, at the centre of a bidding war, has rebuffed an improved \$90 per share offer for 735,000 of its shares from United Artists Theatre Circuit.

UA-Theatre, which already owns 27.6 per cent of UA-Columbia, wants to increase its stake to 49.8 per cent, but UA-Columbia's directors say an offer for only part of the company is unacceptable.

Instead, the company wants to proceed with a \$90 per share total offer worth \$25.2m from Dow Jones and Knight-Ridder, two newspaper companies.

UA-Columbia, which is a public company, has a market value of \$25.2m. UA-Theatre, which already owns 27.6 per cent of UA-Columbia, wants to increase its stake to 49.8 per cent, but UA-Columbia's directors say an offer for only part of the company is unacceptable.

Instead, the company wants to proceed with a \$90 per share total offer worth \$25.2m from Dow Jones and Knight-Ridder, two newspaper companies.

## Astra in deal with Merck

BY WESTLEY CHRISTNER IN STOCKHOLM

ASTRA, THE Swedish pharmaceutical company, is to partner Merck, the U.S. drug group, in an American venture to develop and market Astra products.

For Astra, the deal may mean faster approval for drugs about to be introduced on the American market. In 1980, Astra's sales in North America amounted to SKr 252m (\$53.8m), a 17 per cent increase over 1979.

The Swedish company expects to invest some SKr 65m in America this year. Merck, headquartered in New Jersey, had 1980 worldwide sales of \$2.7bn. In the deal with Merck Astra will be able to draw on Merck's marketing organisation, which employs around 1,000 salesmen.

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## COMMODITIES/REVIEW OF THE WEEK

## Zinc market climbs to 2-year high

BY OUR COMMODITIES STAFF

ZINC WAS the star performer on the London Metal Exchange on the London Metal Exchange. The cash price closed yesterday £20.75 up at £401.25 a tonne—the highest level since February 1979.

The market was boosted by the threat of a strike at Cominco's big Trail smelter in British Columbia, although workers are now considering a new offer from the company.

However, London was also encouraged by further increases in U.S. zinc prices. Asarco announced yesterday its U.S. domestic zinc price was going up by 3 cents to 46.50 cents a lb for prime western grade, but most other producers raised their prices by 2 cents.

Surprisingly lead prices lost ground despite the threat of two supply disruptions—the Cominco strike and a possible stoppage at St. Joe Minerals' lead smelter in Missouri. However, the terms of a new labour contract were tentatively agreed at St. Joe and, if endorsed by the workers, it could help settle the continuing strike at St. Joe's mining and milling plants.

There are also hopes that the strike by workers at the El Teniente copper mine in Chile will be settled soon. Negotiations between the unions and management are to continue over the weekend but considerable progress has already been made in narrowing the differences between the two sides. With U.S. domestic copper

prices being marked down, cash wirebars on the Metal Exchange ended the week £18.5 lower at £299.25 a tonne.

Tin prices were under pressure this week, especially in the Penang market. The Straits tin in Penang dropped by \$1.25 to \$32.80 a kilo—well into the lower price range of the Tin Agreement range where the buffer stock is entitled to operate as a net buyer to defend the "floor" of \$32.75.

It was announced yesterday that U.S. plans to contribute 1,500 long tons of stockpile tin to the International Tin Council buffer stock have been delayed by legal and administrative problems—a welcome relief for the buffer stock since it faces the prospect of having to take surplus supplies off the market if the downward trend continues.

World sugar prices turned downward again this week. The growing belief that the Soviet Union had completed its short-term buying programme and news that India had released more sugar for export coupled with a general lack of consumer demand, pushed August futures down to \$181.90 before a modest recovery was staged on Thursday. But the last resumed yesterday and August sugar ended \$19.525 down on the week at \$185.625 a tonne.

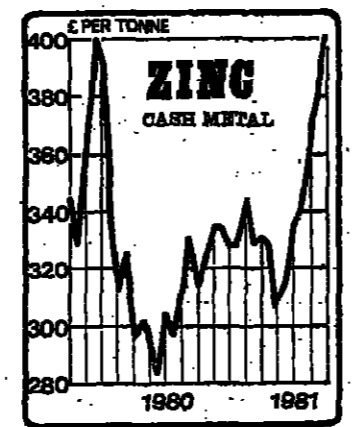
Traders said yesterday's fall was influenced by E. D. and F. Man's estimate of 1980-81 world sugar production at 87.13m tonnes, up 885,000 tonnes on its previous forecast.

Cocoa values continued to fall with the July position ending \$12 down at \$244.5 a tonne as expectations of growing world stocks kept buyers away.

Meanwhile renewed attempts to persuade the Ivory Coast to join the International Cocoa Agreement, which is intended to stabilise the market, made little progress.

Ivory Coast, the world's largest cocoa producer, still maintains that the pact's 110 cents a lb floor price is too low, in spite of the fact that the current market price is below 95 cents.

The Bradford wooltops price reached a new peak of \$30p a kilo reflecting further gains at Australian auctions where supplies of merino wool have been reduced.



## MARKET REPORTS

## BASE METALS

COPPER—Slightly better after a quiet day's trading on the London Metal Exchange. After opening at \$255, forward metal traded down to a low of \$250 before rallying slightly to close at \$252.50. Turnover: 22,125 tonnes.

COOPER Official - Unofficial -  
Wirebar 252.50 - 252.50 - 252.50  
Cash 252.50 - 252.50 - 252.50  
3 months 252.50 - 252.50 - 252.50  
6 months 252.50 - 252.50 - 252.50  
9 months 252.50 - 252.50 - 252.50  
12 months 252.50 - 252.50 - 252.50

Amalgamated Metal Trading reported that in the morning copper cash wirebar, forward metal traded down to a low of \$250 before rallying slightly to close at \$252.50. Turnover: 22,125 tonnes.

Tin—Lost ground in good two-way trading. Forward metal traded down to a low of \$32.50 before rallying slightly to close at \$32.80. Turnover: 1,450 tonnes.

LEAD—A little weaker in quiet trading. Forward metal traded down to a low of \$20.50 before rallying slightly to close at \$20.75. Turnover: 1,450 tonnes.

LEAD Official - Unofficial -  
High Grade 20.75 - 20.75 - 20.75  
Cash 20.75 - 20.75 - 20.75  
3 months 20.75 - 20.75 - 20.75  
6 months 20.75 - 20.75 - 20.75  
9 months 20.75 - 20.75 - 20.75  
12 months 20.75 - 20.75 - 20.75

Morning: Standard: Cash £29.10, 15. Three months £29.20, 20, 25, 20, 15, 10. Six months £29.30, 20, 25, 20, 15, 10. Nine months £29.40, 20, 25, 20, 15, 10. Twelve months £29.50, 20, 25, 20, 15, 10.

LEAD—A little weaker in quiet trading. Forward metal traded down to a low of \$20.50 before rallying slightly to close at \$20.75. Turnover: 1,450 tonnes.

LEAD Official - Unofficial -  
High Grade 20.75 - 20.75 - 20.75  
Cash 20.75 - 20.75 - 20.75  
3 months 20.75 - 20.75 - 20.75  
6 months 20.75 - 20.75 - 20.75  
9 months 20.75 - 20.75 - 20.75  
12 months 20.75 - 20.75 - 20.75

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LEAD—A little weaker in quiet trading. Forward metal traded down to a low of \$20.50 before rallying slightly to close at \$20.75. Turnover: 1,450 tonnes.

LEAD Official - Unofficial -  
High Grade 20.75 - 20.75 - 20.75  
Cash 20.75 - 20.75 - 20.75  
3 months 20.75 - 20.75 - 20.75  
6 months 20.75 - 20.75 - 20.75  
9 months 20.75 - 20.75 - 20.75  
12 months 20.75 - 20.75 - 20.75

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LEAD—A little weaker in quiet trading. Forward metal traded down to a low of \$20.50 before rallying slightly to close at \$20.75. Turnover: 1,450 tonnes.

LEAD Official - Unofficial -  
High Grade 20.75 - 20.75 - 20.75  
Cash 20.75 - 20.75 - 20.75  
3 months 20.75 - 20.75 - 20.75  
6 months 20.75 - 20.75 - 20.75  
9 months 20.75 - 20.75 - 20.75  
12 months 20.75 - 20.75 - 20.75

## SILVER

LME—Turnover \$1 (138) lots of 10,000. Morning: three months 535, 55.5, 35, 34.5. Karb: untraded. Afternoon: untraded.

Silver—Forward metal traded down to a low of \$20.50 before rallying slightly to close at \$20.75. Turnover: 1,450 tonnes.

SILVER Official - Unofficial -  
Bullion 535.00 - 535.00 - 535.00  
Cash 535.00 - 535.00 - 535.00  
3 months 535.00 - 535.00 - 535.00  
6 months 535.00 - 535.00 - 535.00  
9 months 535.00 - 535.00 - 535.00  
12 months 535.00 - 535.00 - 535.00

Amalgamated Metal Trading reported that in the morning silver cash wirebar, forward metal traded down to a low of \$20.50 before rallying slightly to close at \$20.75. Turnover: 1,450 tonnes.

COCAOA—Futures remained quietly steady during a dull day for prices to close with a marginal loss. The market was largely neglected with most of the Continent on holiday although some physical business was done.

COCAOA Official - Unofficial -  
May 921.925 - 921.925 - 921.925  
June 921.925 - 921.925 - 921.925  
July 921.925 - 921.925 - 921.9







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# FINANCIAL TIMES

Saturday May 2 1981



## MAN OF THE WEEK

### Africa's machine man

BY QUENTIN PEEL

THE OCCASION was an official visit by Mr. P. W. Botha, the South African Prime Minister, to the College of Political Warfare in Taiwan—on the only foreign trip he has undertaken in his two and a-half years as Premier. He was watching the immaculately drilled cadets, in light-blue uniforms, march past on the parade ground of this bastion of anti-Communism, when he turned to his aides and remarked in Afrikaans: "Now, these are my kind of people."

The combination of military precision and fanatical anti-Communism was undoubtedly one which appealed to the man responsible for building South Africa's army into the most powerful military machine in Africa. It also no doubt appealed to his instincts as an efficient party administrator, a machine man of the ruling National Party who has risen steadily through the ranks from his days



P. W. Botha  
He seems courteous, but aloof

as a youth organiser—not for his vision, nor his oratory, but for delivering the votes on election day.

It was ironic therefore that in his first general election fought as Prime Minister this week, Mr. Botha should have suffered from a virtually unprecedented defection of traditional government supporters.

He fought the election specifically asking for a personal mandate from the voters. He declined to spell out specific policies, except to talk in general terms of new initiatives. His theme was the need for a "total strategy" to resist outside interference. The rallying cry was to vote for strong leadership. And in the end, it was perhaps as much his own style and character which lost him votes, as fears about where his vague talk of reform was leading.

Not that Mr. Botha's personal character often comes through in his public appearances. He seems courteous but aloof at his public meetings, a competent speaker, only showing another side when his notoriously short temper becomes frayed. "That was a stupid remark from a stupid man," he snapped at one persistent heckler. "I can see you are stupid. You have a stupid face."

His admirers insist that he is genuine in his determination to streamline South Africa's apartheid—and that he will not back down now to appease the conservatives. "He will change his approach," says Professor Piet Cillie, for many years Mr. Botha's confidant as editor of The Burger, the National Party newspaper in the Cape. "Many of his lieutenants will try to say he is going too fast. His reply will be: 'You go out into the streets and go and get these people back on my policy. Don't try to appease them. Reorganise.'"

His opponents are more sceptical. Mrs. Helen Suzman, for many years the lone member of the Progressive Party in Parliament, whom Mr. Botha accused in a fit of rage of responsibility for the assassination of Dr. Hendrik Verwoerd, insists that he is not a real reformer at heart. "He doesn't particularly believe in apartheid, but somebody like military, has told him it is necessary," she says.

He is an unpredictable mixture of the authoritarian and the democratic. As a party organiser, he was one of the earliest opponents of the neo-Nazi Ossewabrandwag, which attracted many Afrikaners like his predecessor Mr. John Vorster. But since he became Prime Minister, he has increasingly set up ways of bypassing the party and causing through executive action by 25 and has imperiously told his party congresses that he will not consult them on changes of policy, only of principle. At the age of 68, he does not have an indefinite time ahead as Prime Minister. But nor does he have any obvious rivals.

## Government presses harder on council house sales

BY OUR LOBBY CORRESPONDENT

THE GOVERNMENT moved closer yesterday to forcing the pace of council house sales. It asked 12 more Labour-controlled councils for an explanation of why they had not sold more houses.

Mr. John Stanley, Housing Minister, said he had formally taken up the issue with Haringey and Tower Hamlets in London; Birmingham, Blyth Valley, Brent, Burnley, Darlington; Gateshead; Newcastle-upon-Tyne; North Tyneside; Norwich; St. Helens; and Tower Hamlets.

He began similar discussions with 27 other local authorities. In mid-April he gave seven of them, Wolverhampton, Stoke-on-Trent, Sheffield, and the London boroughs of Newham, Greenwich, Camden and Barking and Dagenham, until May 13 to satisfy him that they were co-operating with tenants wishing to buy their homes.

Under the "right-to-buy" legislation enacted last October council tenants of more than three years' standing have a legal right to buy their homes

at discounts up to 50 per cent of the property's market price. They are guaranteed a mortgage from a building society or the local authority.

In the first 20 months of the Conservative Government about 118,000 council homes were sold, most voluntarily by Conservative-controlled councils.

The Government expects a further 130,000 council homes to be sold in this financial year as a result of the right-to-buy legislation and voluntary sales. It says that councils received about 120,000 applications between October and the end of December, and that they have continued "at a high level" in 1981.

If the housing authorities named in April do not convince the Environment Department that they are making every effort to process sale applications, Mr. Stanley can assume control of their housing stock and appoint officers to push through the sales.

Mr. Stanley's announcement yesterday came less than a week before the local government elections, in which the

Tories hope the "right-to-buy" will be a big vote-winner.

The 12 councils will be required to provide the Environment Department with details of the requests to buy they have received, and of how many potential sales are in the pipeline.

They will be asked for an assurance that they are prepared to comply with the Housing Act 1980 by giving tenants the right to buy their homes.

If the authorities fail to provide Mr. Stanley with the information he wants, he will issue an ultimatum on the lines of the one which has already gone out to some councils.

The Labour Party, as well as most Labour-controlled councils, remains firmly opposed to compulsory sale of council houses. It has made a pledge to repeal the "right-to-buy" provisions and introduce legislation forcing the owner, on the first resale of the property, to offer it back to the council.

Discounts available would be reduced.

## Royal Bank rival bids referred to Commission

By John Makin

MR. JOHN BIFFEN, the Trade Secretary, has referred the two bids for the Royal Bank of Scotland to the Monopolies and Mergers Commission.

The commission has six months to report on the bids by Standard Chartered Bank and Hongkong and Shanghai Banking Corporation. In view of their size and complexity, the commission is unlikely to report much before the deadline.

The news sent Royal Bank shares tumbling 14p to 172p. Hongkong and Shanghai Bank shares closed 4p higher at 133p and Standard Chartered rose 12p to 62p.

The referral, recommended by the Office of Fair Trading, was widely expected. Royal Bank is Scotland's largest bank and critics of the bids have argued that removing control from Scotland would be against the public interest and reduce Edinburgh's importance as a financial centre.

The Bank of England is understood to have been particularly anxious that Hongkong and Shanghai's bid be examined. It was apparently concerned that its task of supervising the Royal Bank's operations would be more difficult if control passed to Hong Kong.

Royal Bank has endorsed a revised bid from Standard Chartered. The two banks said yesterday they were confident their case would commend itself to the commission.

Mr. Michael Sandberg, Hongkong and Shanghai chairman, was confident that "in due course it would be possible to implement the proposed partnership."

The Hongkong and Shanghai offer has been treated coolly by the Royal Bank board.

The bidding war for Royal Bank opened in mid-March when Standard Chartered and Royal Bank agreed a cash and share merger which placed a value of £312m on the Scottish bank.

Three weeks later Hongkong and Shanghai bid £500m, which blended cash and shares. Standard Chartered returned last week with an offer worth about £480m. The second proposal was again backed by the Royal Bank board.

Apart from its Scottish branch network, Royal Bank owns Williams and Glyn's, a London-based bank with more than 300 branches.

Neither bidder can launch another offer until the commission presents its report.

Mr. Biffen decided not to refer the proposal by Lloyds Bank to buy full control of Lloyds and Scottish, the finance house in which Royal Bank has a 39.3 per cent stake.

## Weather

UK TODAY

Showers in North, elsewhere mostly dry, cold generally. London, S. E. N. England, Midlands, Wales, S. Scotland, N. Ireland.

Mostly dry with sunny periods. Rather cold. Max. 13C (55F).

S.W. England, Channel Is. Cloudy with occasional rain: brighter later. Max. 12C (54F).

N.E. England, Borders. Sunny intervals, occasional showers. Max. 11C (52F).

C. N. Scotland, Orkney, Shetland. Sunny intervals, wintry showers. Max. 7C (45F).

Outlook. Rain followed by showers. Temperatures below normal.

## WORLDWIDE

	Y'day		Today		Y'day	
	midday	c	midday	c	midday	c
Amsterdam	17	8	18	9	19	10
Algiers	15	6	16	7	17	8
Ankara	17	8	18	9	19	10
Athens	20	11	21	12	22	13
Bahia	28	19	29	20	30	21
Bangkok	28	19	29	20	30	21
Beijing	20	11	21	12	22	13
Bombay	28	19	29	20	30	21
Buenos Aires	20	11	21	12	22	13
Calcutta	28	19	29	20	30	21
Cairo	22	13	23	14	24	15
Cardiff	11	2	12	3	13	4
Cebu	28	19	29	20	30	21
Colon	28	19	29	20	30	21
Copenhagen	17	8	18	9	19	10
Dublin	17	8	18	9	19	10
Hong Kong	28	19	29	20	30	21
London	17	8	18	9	19	10
Lyons	17	8	18	9	19	10
Madrid	20	11	21	12	22	13
Moscow	17	8	18	9	19	10
Paris	17	8	18	9	19	10
Rangoon	28	19	29	20	30	21
Reykjavik	17	8	18	9	19	10
Rome	17	8	18	9	19	10
Seoul	28	19	29	20	30	21
Shanghai	28	19	29	20	30	21
Singapore	28	19	29	20	30	21
Sydney	28	19	29	20	30	21
Tokyo	17	8	18	9	19	10
Yokohama	17	8	18	9	19	10

C-Cloudy, F-Fair, FG-Fog, H-Hail, R-Rain, S-Sunny, SI-Sleet, SN-Snow, T-Thunder, 1100m GMT temperatures.

## Mitterrand tipped for presidency

BY ROBERT MAUTHNER IN PARIS

M. FRANCOIS MITTERRAND, the Socialist candidate for the French presidency, has been tipped to win the decisive final ballot on May 10 by a poll published today in the weekly news magazine Le Point.

The French Institute of Public Opinion (IFOP), one of the most reliable public opinion polls in France, found that, of those revealing their voting intentions, 51.5 per cent would vote for M. Mitterrand against 48.5 per cent for President Valéry Giscard d'Estaing.

Sixteen per cent of those questioned, declined to reply, a sufficiently large number to swing the result either way if they vote eventually. The poll was taken on April 27 and 28, just after the announcement of the results of the first round in which M. Giscard d'Estaing and M. Mitterrand took first and second place respectively and thus qualified for the final duel two weeks later. It thus did not

take into account the sub-revised position adopted by the Communist Party in favour of M. Mitterrand and the more equivocal stand taken by the Gaullist RPR Party, which left its supporters to decide which way to vote, "according to their consciences."

If anything, M. Mitterrand seems to be in a better position than before.

Among the significant findings of the poll—the first to be published after the first round—was that 84 per cent of Communist voters decided to opt for M. Mitterrand in the final ballot, compared with 73 per cent in its poll taken two weeks earlier.

The number of Gaullist supporters intending to switch to M. Giscard d'Estaing in the second round rose to 71 per cent, compared with 62 per cent.

At an election meeting on Thursday night, M. Giscard

d'Estaing, in an obvious bid to win the support of Gaullist voters, indicated he would take into account some proposals made by M. Jacques Chirac, the Gaullist leader, during the election campaign.

Mentioning M. Chirac by name for the first time since the latter was knocked out in the first round, M. Giscard d'Estaing said the Gaullist leader had been right to come out so strongly against bureaucracy and in favour of individual freedom. He said that if re-elected he would organise a joint meeting of the executive bodies of the parties making up the present parliamentary "majority" to decide what policies to adopt in fields like youth unemployment.

The outgoing President's failure to solve the unemployment problem has become one of the main issues in the election campaign.

## People's Jobs March starts

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE MAIN contingent of the "people's march for jobs" left Liverpool yesterday on the first leg of a 30-day march.

Mr. Tony Benn told them before they went off that they were leaving "the graveyard of British capitalism." Their route takes them through capitalism's birthplace—Manchester—and brings them to its capital—London—for a mass rally on May 31.

In sharp distinction to the Jarrow hunger marchers whose memory was invoked and whose banner was displayed at the head of the march yesterday, the participants were largely young and appeared fit, cheerful and determined.

Mr. Benn told them, and the crowd of some 3,000 who gathered at Liverpool's Pier Head to see them off, that the March was "demanding a change in the policies and structure of society."

He went on: "What people want is peace for themselves and their families. They want jobs for themselves and their families. They want homes and schools, decent hospitals and dignity in retirement. It's a scandal that in one of the richest countries of the world these moderate demands cannot be met."

The marchers included a blind man, Mr. Larry Carty (35) who had been unemployed for seven years and who said he

was "a firm believer in a union for unemployed workers organised by the TUC." It included a disabled man, Mr. Sam Makin (46), who also had not worked for seven years and saw "no chance" of working again.

Several others, mainly young, had recently lost jobs and had been repeatedly turned down when applying for others. Mr. Jim Sweet, a 21-year-old college graduate, said he had tried for "any type of job" but could not obtain one.

The 250 marchers who started from Liverpool will be joined at Northampton by more than 300 who started yesterday from Huddersfield.

Background, Page 3

## Forte bid for Savoy Continued from Page 1

Savoy group reported losses of £1.79m for 1980—more than double the first half-year deficit of £837,000—compared with a profit of £520,000 in 1979. The fall in demand was most severe at the Savoy, largest of

the company's hotels, where most of the losses occurred.

Trusthouse Forte operates 810 hotels worldwide. They include Grosvenor House and Hyde Park Hotel in London, and the George V and Plaza Athénée

in Paris.

It also has motorway service cafes. In the year ended October 1980 the group reported profits before tax of £66m. Gross trading receipts totalled £772m.

## Cut-price flights rejected Continued from Page 1

further soundings in the Australian market, including some with Ansett, in an effort to formulate a new proposal.

"It is clear the route can stand some competition, but not a great deal of competition," the authority said the Laker Airways' plan for flights to Australia "could not be accommodated on the route without substantially cutting back that of British Airways," for which the authority sees no justification.

It felt that Laker's market growth factors "were over-

optimistic, its stimulation factors unreal, and its fares intentions vague."

The authority did not accept that the market would grow in the next two-three years sufficiently to justify two additional operators, each running a daily wide-body jet service.

In the past eight years, British Airways had stimulated the market by fares reductions, but in money and real terms, much greater and on a wider scale than Laker proposed.

In the past decade traffic on the route had increased five-

fold, and the lowest fare was now a quarter of what it was in 1971 real terms. The CAA did not accept the contention that British Airways had served the route badly.

Sir Freddie Laker said he was considering an appeal against the decision.

"This is a major step backwards for a round-the-world Skytrain and for the thousands of people who want to visit their relatives in Australia."

"I will carry on fighting this. The question of an appeal is very much in our minds."

## Action hits Heathrow Continued from Page 1

Standsted, largely ignored the call. At Gatwick six of the 10 controllers were working, and 136 of the 154 flights suffered no effects.

At Stansted all staff turned up for work and services were not affected.

Afternoon flights from many airports to the U.S. had difficulties because of route without control staff at the Oceanic Control Centre at Prestwick, which controls Atlantic flights in the corridor routed from the Azores to Iceland.

The action, which ended at 10.00 last night, diverted traffic to and from Canada and

northern U.S. to the Reykjavik control area. Traffic to and from Central America and southern U.S. was diverted to the Santa Maria area, controlled from the Azores.

British Airways estimated that action was adding about an hour to flying time, causing some long-haul flights, such as those to and from Los Angeles and San Francisco, to make refuelling stops. Aircraft were also delayed while they waited for slots in the new corridors.

Mr. John Biffen, Trade Secretary, regretted the delays. He said that people wishing to fly had become "the helpless vic-

tims of an industrial dispute that should be discussed across the table, and not fought out in the waiting lounges of airports."

The Ministry of Defence said that servicemen have performed tasks to prepare the Polarix submarine HMS Repulse for sea. Earlier this month the Navy resupplied another Polarix craft, HMS Resolution, at Faslane.

At Chatham dockyard, management have postponed for four months a refit of the hunter-killer submarine HMS Sovereign. Work on other nuclear submarines is being delayed.

## THE LEX COLUMN

### Second act of Savoy opera

Index fell 5.4 to 591.9

Trusthouse Forte's attempts to gain control of the Savoy Hotel by while have been thwarted by the courts, and rather than pursue the legal battle THF has decided to come out in the open with a straightforward full bid. The paper terms are the same as in the offer originally proposed, but the new cash bid values the Savoy at £67m rather than £58m because the cash alternative has been brought more into line with THF's higher share price.

THF confronts the same problem as have all other would-be owners of the Savoy, in the shape of the entrenched and hostile interests controlled by the Savoy Board. These amount to roughly 32 per cent of the votes directly held, and more like 45 per cent when shareholdings friendly to the Board are included.

Against this THF now controls 33 per cent of the votes itself, which—assuming it can not disclose shares from the opposing 45 per cent bloc—leaves it requiring rather more than three-quarters of the uncommitted votes for victory.

THF is now exerting maximum pressure on the Savoy Board. It will not be easy for the Savoy to turn these terms down without proving that its hotels are worth more. And they might only be sold for more to foreign buyers who could appear even less acceptable to the Savoy than THF.

## Northern Eng.

Hard on the heels of Rowtree Mackintosh—and a host of smaller companies—comes Northern Engineering, with a 1 for 4 rights issue to raise £30m gross. The company's share had come up to 90p from last year's low of 33p, and the temptation to issue new equity must have become irresistible.

The £35m purchase of a U.S. electronics company last year has apparently not fully satisfied NEI's appetite for acquisitions. The company is also arguing

that it cannot count on customer progress payments to finance the bulk of its working capital, and it needs to strengthen its balance sheet in order to be able to tender effectively for major contracts.

The issue document talks of £46m of capital investment last year, a slightly misleading figure since it includes acquisitions, much of which were financed through the issue of 20m shares. And NEI's balance sheet was very strong before the issue, with debt of £58m, offset by cash of £33m, against £151m of shareholders' funds and minorities. Perhaps the group feels that its £67m of advance payments—the source of its cash holdings—cannot be relied upon to keep pace with turnover.

The re-rating of NEI's shares partly reflects the company's good performance relative to other engineers in 1980, when its profits were not collapsing but recovering from the low point they reached in 1978. Current cost of debt cover was very poor last year, however, and even if historic cost pre-tax profits (with help from the rights issue money) rise from £26.1m to £34m this year, fully-taxed earnings per share will be little changed at around 7p. A p/e ratio of 12 and a yield of 6 1/2 per cent give the shares an expensive air.

## John Laing

The second half has brought no relief to John Laing, and pre-tax profits have fallen by slightly more than the 70 per cent of the first six months, to produce an outturn of £3.2m against £11.3m. The group would have shown a loss of as much as £1.5m if extraordinary losses, partly representing factory closures in continuing businesses, were taken above the line.

The main decline has been

abroad, where the volume of work has simply not been adequate to cover overheads, and less making contracts have continued to emerge. In the UK the plant hire operation has produced losses, while margins remain poor in building and engineering, where council house building is in the red. The only bright spot is private housing which is holding its own.

The overseas order book has picked up in recent weeks, although the competitive environment suggests that margins may be tight. At home too, the company is hopeful about an improvement in orders. But it is likely to be a long haul back to a realistic return on capital and the management has proved less sure-footed than many of the competitors. The shares rose 2p yesterday.

## Kwik Save

Kwik Save has put last year's problems of absorbing the Cee-Nee shops and reorganising its distribution network firmly behind it, and has produced a 44 per cent increase in interim pre-tax profits to £8.8m. At the pure trading level, in fact, there has been a jump of 74 per cent to £7m, excluding income from the Coleman Meat Company acquisition and concessionaires. This is over-flattering due to the depressed level of the figures a year earlier; nevertheless, during the last two years there has been underlying annual compound growth of nearly 30 per cent.

The company seems to have benefited from trading down in the recession and volume has risen by 124 per cent, of which about half derives from new stores. Margins have been restored and with another 10 units to be opened this year, pre-tax profits may be about £19.4m. Meanwhile the company's cash holding is growing, and freehold property may now represent more than half of the capitalisation. At 225p, down 6p yesterday, the yield is about 3 per cent.

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